THE MONTGOMERY GI BILL

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

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THE MONTGOMERY GI BILL

Wednesday, October 14, 1987

U.S. House of Representatives,
Subcommittee on Education, Training
and Employment,
Committee on Veterans' Affairs,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 334 Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Montgomery, Dowdy, Jontz, Evans, Kaptur, Kennedy, Smith of New Jersey, Ridge, and Dornan.

Also present: Representatives Johnson and Hunter.

Mr. Dowdy. The Subcommittee on Education, Training and Employment will come to order.

I want to welcome all of you to today's hearing. The ranking minority member of our subcommittee, our friend and colleague Chris Smith from New Jersey, is presently tied up in the markup of a very important bill in the Foreign Relations Committee. He should be here momentarily.

We also want to welcome the chairman of the full Committee on Veterans' Affairs of the House of Representatives, my friend and colleague, for whom the GI bill is named, G. V. (Sonny) Montgomery.

Chairman Montgomery?

OPENING STATEMENT OF HON. G. V. (SONNY) MONTGOMERY, CHAIRMAN, FULL COMMITTEE ON VETERANS' AFFAIRS

Mr. Montgomery. Thank you, Chairman Dowdy, for giving me this opportunity. I will be brief and thank you and Chris Smith for having this hearing on the GI education bill.

I want to say this, that the number of witnesses in the audience today and who will testify really have been pushers and sponsors of the GI bill. Wayne, without this group we could not have made it. The number of witnesses that you will hear from today were part of a total team effort with people across the board helping, especially those in the services that we will hear from that were on the firing line doing the work and putting out the pamphlets and applications.

So I feel real good about having these hearings. I guess my philosophy is to take a good, hard look and maybe go rather slow or go slow before we make any major changes. But let's hear it through and, in certain cases with the GI bill, there should be some changes.

So I commend you, Mr. Chairman, for having this hearing, and we are real pleased that it seems that the GI bill is doing everything we thought it would do as far as the services are concerned. Thank you.

Mr. Dowdy. Thank you, Mr. Chairman.

OPENING STATEMENT OF HON. WAYNE DOWDY, CHAIRMAN, SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

This morning the subcommittee is meeting to review the implementation and effectiveness of the Montgomery GI Bill established in 1984, initially under Public Law 98–525, and made permanent this year as a result of the enactment of Public Law 100–48.

Many of you in this room, as Sonny Montgomery has said, were instrumental in the passage of both these measures, and we want to thank you for your hard work. We will be focusing on three bills—H.R. 2950, H.R. 3180, and H.R. 3208. H.R. 2950, which was introduced on July 15, would authorize individuals with eligibility under the Montgomery GI Bill to pursue flight training. Mr. Chris Smith of New Jersey, distinguished ranking minority member of the subcommittee, introduced H.R. 3180 on August 6, and H.R. 3208 was introduced on August 7 by another outstanding member of our subcommittee, my friend Jim Jontz of Indiana.

Both of these bills would amend chapter 30 of Title 38, United States Code. I will ask Mr. Smith, when he is present, and Mr. Jontz to explain their bills in more detail later.

In addition, our first witness this morning will be Congressman Tim Johnson, a member of the full Veterans' Affairs Committee, who is from South Dakota. Tim will be testifying on a bill that he recently introduced, H.R. 3464, and we will welcome any comments our later witnesses may want to make regarding any of these pieces of legislation.

Testifying later will be Congressman Duncan Hunter of California, a member of the Committee on Armed Services, who has been a staunch supporter of the Montgomery GI Bill.

In the letter of invitation we requested comments on H.R. 2950, H.R. 3180, and H.R. 3208. We also invited witnesses to discuss additional amendments, if any, which they think would improve the effectiveness of the newest GI bill.

It is my personal view, based on visits I have made to service training bases, that the Montgomery GI Bill is working and it's working very, very well. I also feel that we should think long and hard before we make any significant changes in this program.

Nevertheless, this is a good opportunity to begin discussions and reviewing the proposals before us. We will be hearing from many witnesses today, with another hearing scheduled for tomorrow morning at 9:30. Accordingly, we will firmly abide by the 5-minute rule. Written questions may be submitted to our witnesses following the hearings, and without objection, the questions and written responses will be included in the hearing record.

Also, the record will remain open for 10 days for additional statements and comments.

I will call now on a member of the subcommittee who has introduced the legislation to which we referred earlier, Jim Jontz.

OPENING STATEMENT OF HON. JIM JONTZ

Mr. Jontz. Thank you very much, Mr. Chairman.

I would like to thank you for scheduling these 2 days of hearings to discuss the Montgomery GI Bill. I might say before proceeding further that I am very proud to be a member of this subcommittee, which has done so much on behalf of our Nation's veterans. It is a real pleasure for me to have a chance to make a statement this morning about legislation that I have introduced, H.R. 3208, which addresses this very important subject.

The Montgomery GI Bill makes permanent a proven, winning program. Few Government programs can point to the success which characterizes the Montgomery GI Bill. I certainly agree with you, Mr. Chairman, that care must be taken before rushing into any changes affecting this legislation. The approach which this committee will take of spending time during this session to evaluate the program and then perhaps entertaining changes in the program in the coming years seems to me a very prudent course of action.

One of the first things I had the opportunity to do as a member of the Veterans' Committee as a new Member of Congress was to visit a number of military bases earlier this year as a part of a trip which this committee took. I had the chance at that time to learn a great deal about the GI bill, to hear directly from recruits about their impressions about the program, and also to hear directly from those involved in the military as recruiters and other officers in charge of training, about their impressions about the strengths and weaknesses of this program.

The bill that I have sponsored, H.R. 3208, comes as a result of what I heard on that trip as well as a number of other discussions I have had with veterans in my district, with recruiters, with other Members of Congress, and with representatives of veterans groups, all of whom have given a great deal of thought to the program.

H.R. 3208 makes the benefits offered under the Montgomery GI Bill even more attractive to recruits and to their families. I appreciate the opportunity to briefly discuss the provisions of the legislation with you and other members of our subcommittee and the chairman of our full committee this morning.

There are essentially five provisions, five improvements if you will, that are included in H.R. 3208. First, with regard to the method of contribution, under H.R. 3208 a new member of the armed services would be given the choice to decide if their financial contribution would be in the form of $100 over 12 months, as is now the requirement, or $60 for 20 months. Many recruits have identified the amount of the monthly contribution as the key impediment to participation. I think we heard this more than anything else when we were talking to recruits earlier this year. It was suggested by them that if the contribution could be made smaller and spread out over a longer period of time, more recruits would be able to participate.

H.R. 3208 provides the option of making the payment of $60 over 20 months, as compared to $50 over 24 months, because some members are discharged from the service at the 20-month point for the convenience of the service. I am not sure that the $10 difference between $50 and $60 particularly argues for one alternative or the other. But I do think that providing the option to the recruit to choose to make the payment for $60 is a significant alternative to $100, and for those who would choose to spread out their payments over a longer period of time it would provide them that option.

I know that when we hear testimony from some of our witnesses, some will be suggesting the repeal of contribution from the servicemember. There is considerable merit to the idea. But I think that within the realm of the possible, what we can have the greatest likelihood of accomplishing is getting the contribution spread out over a greater period of time if that is what the servicemember chooses to do. I think this would make it much more attractive to those individuals who have serious family obligations or other financial obligations which in some cases prevent them from paying the $100 for the 12-month period.

The second provision in H.R. 3208 pertains to the enrollment period. Under H.R. 3208 each branch of the service is given the discretion to set a period of time not to exceed a period of 60 days after the new recruit becomes an active member, during which the recruit can make the election not to participate.

This revision would spell out in the law the enrollment period a little more precisely than the current language of the law which states that the decision not to participate must be made at the time that the member assumes active duty.

I have received a number of letters from relatives of recruits who have told me that the initial confusion associated with basic training resulted in their recruit opting not to participate. I think that H.R. 3208 would allow the services the discretion about choosing the period of time when they want to pop the question, so to speak, to the recruit to best meet the basic-training situation that they have.

The impression that I got from visiting each of the four basic training camps is that there are some differences among each of the basic training programs, and that the individual branches had some difference of opinion as to when the best time was to give the option to the recruit. The point of the language in H.R. 3208 is to give each branch of the service a choice about what they think makes best sense for their particular program. I think if we did that, then they could increase enrollment by using their judgment and their experience to offer that choice at the proper time.

The third provision in H.R. 3208 pertains to a temporary period of enrollment. It would provide that any active-duty member who has not elected to participate in the program and who was eligible to participate would be given on a one-time basis 60 days in which to opt to participate, of course with the understanding that the full financial contribution be made. Many times during our trip we heard recruits say that if only they had the opportunity to change their mind, they would choose to participate in the Montgomery GI Bill.

I am sure that is the case, and I am sure that given what the armed services have learned over the last couple of years in marketing the program, that had they known then what they know now, there would have been a lot of men and women in the service who would have been convinced to stay in the program and would now be eligible.

I know that there are some additional recommendations that are going to be coming forward in testimony about expanding eligibility for other members of the service, and I think those recommendations have a great deal of merit. But I would hope we would look at the issue in terms of thinking of who should we, for the sake of fairness, be extending the opportunity to participate in the program to. I would suggest that those who initially declined but would now give it a second glance because of their changed circumstances, should be given that option.

The fourth provision in H.R. 3208, and probably the most controversial in this bill, is the provision with regard to transfer of entitlement to dependents. H.R. 3208 enables a member under authorization by the Secretary of Defense to transfer to one or more of his dependents—which are defined as being spouse, surviving spouse, or children—any or all of his educational entitlement, with additional provisions that allow revocation or modification of that decision. In addition, the provision that says that a transfer can be made while the individual is on active duty, upon death, discharge for hardship or service-connected disability, or completion of 20 years of active duty.

H.R. 3208 gives the member the important advantage of being able to transfer their educational entitlement to a member of their family under the circumstances that the Secretary of Defense may prescribe.

I realize there are some very fundamental questions about the GI bill program that have to be addressed in looking at the possibility of transferability of benefits. However, based on what I heard on our trip and have heard from others, the option of transferability would make the program more attractive. I think that we should examine this issue and would suggest that the particular language in H.R. 3208 is only a first step.

The fifth and final provision in H.R. 3208 pertains to compensation in lieu of benefits. H.R. 3208 provides that a compensation payment equal to the amount by which a member's salary was reduced will be made or can be made under two particular circumstances: one, where the physical or mental disability of the member of the service prevents them from taking advantage of the benefits under the program; and two, in the event of a member's death where a compensation payment can be made to the member's dependents.

Many have expressed the opinion that under the current program a member is unfairly penalized if they are unable through no fault of their own to use their education benefits. The case of disability or death are two very clear cases, I think, that deserve our attention, and H.R. 3208 would address each of these.

Again, Mr. Chairman, I want to say that I am aware that in the testimony that we will hear in the next couple of days there are a great many very thoughtful suggestions from veterans groups, from the military, and the military associations. And I am very much cognizant of the fact that this is a complex subject. What I have put forward in H.R. 3208 is very much a first draft of my thinking on some of the improvements that could be made in the Montgomery GI Bill. I am looking forward to hearing the testimony and, I think many of the suggestions that we will be hearing have a great deal of merit and I am interested in examining each of them.

My thanks again to you, Mr. Chairman, for holding these hearings, and to the chairman of our full committee for his counsel in preparing this legislation and for his advice to me in terms of suggestions about how to approach the subject. I appreciate very much the chance to make this statement before our subcommittee this morning.

Mr. Dowdy. Thank you very much, Mr. Jontz.

Next we will recognize a member of our subcommittee, a valued member from the State of California, who has been very instrumental in this legislation. He and I have had some comments regarding the provisions of H.R. 2950. Bob Dornan.

OPENING STATEMENT OF HON. ROBERT K. DORNAN

Mr. Dornan. Thank you, Mr. Chairman.

I wanted to speak to your excellent bill because I have personal experience with the old GI bill in flight training. Today is an interesting day to discuss anything that has to do with flight because only 40 years ago today a now-famous American, then an obscure 24-year-old Air Force captain with 13 combat victories over Europe, Chuck Yeager, grandson of the great State of West Virginia, broke the sound barrier. It was 40 years ago today.

When I broke the sound barrier in 1956, just 9 years later, there were several thousand young men in the Navy, Marine Corps, and Air Force doing it every day in routine. I flew in the Air Force for 3 years. I can't think of a better job in peacetime than flying jet fighters in any one of our military services.

But I gave it up to opt for politics and the private sector and left the military with five kids. Then I found myself driving a Yellow Cab, sitting in the line at L.A. International Airport, wondering if the private sector was all it was cracked up to be.

I had all these pilot skills, even a jet rating, commercial rating. But I needed the GI bill to get a helicopter rating. And then it cost $75 an hour. Now it's three or four times that. When I learned to fly at 16, it was $5 an hour and $3 for the instructor. I soloed in 1950 at a total cost of $76. Well, that was one hour of helicopter time when I was out of the military, and now it's just a fraction of that.

So your bill is eminently fair the way it is written. It is very expensive to even pay a quarter of this training. It is structured so that it isn't something frivolous. It's something that people will be very professional and career-minded about.

When I got that helicopter rating, it opened up the opportunity to fly with police departments and to fly as a traffic watch reporter in helicopters. Helicopters were just coming onboard then in our major markets, and it is a tremendous career field opportunity that opens up to our young men and women who maybe serviced helicopters in the Navy, Air Force, Marine Corps, or Army for years and always wanted to fly. And having given some of those best years of their life to come out and have this opportunity added to the GI bill through your bill I think is eminently fair, and I think it's something that I hope every member will endorse unanimously. You worked out the arithmetic beautifully, and it's just something that I know veterans would be most grateful to you and to senior committee chairman, Mr. Montgomery, for adding to this superb GI bill.

Just a final thought on the GI bill. I don't know a committee in this House that affects people's lives more positively than this committee with this excellent type of legislation. It takes those young men and women who give years out of their lives to make the world secure, for the part of the world that's free, secure for all the rest of us. I was just very proud to participate in this, and this is landmark legislation to help these good kids across this country that wear the uniform of our great Nation.

Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Dornan, we are aware of your requirement that you leave us later for the Foreign Relations Committee markup. But we certainly do appreciate your interest and support for H.R. 2950.

Our colleague, Mr. Evans, a member of this subcommittee and also the chairman of the Subcommittee on Oversight and Investigations.

Mr. Evans?

Mr. EVANS. Well, thank you, Mr. Chairman. I will forego an opening statement, in the interest of time.

Mr. DOWDY. All right.

Our colleague from Massachusetts, our friend Joe Kennedy.

Mr. KENNEDY. Mr. Chairman, as someone who went along on a trip with Chairman Montgomery and Mr. Jontz, I just am delighted to see that Mr. Jontz is taking the initiative to come up with some of the provisions that will deal with some of the problems that we found in the implementation of the Montgomery bill. I just look forward to hearing the testimony from Mr. Johnson and Mr. Hunter.

Mr. DOWDY. All right. Thank you very much.

Our first witness this morning is our colleague, Congressman Tim Johnson from South Dakota. As we have stated, Mr. Johnson is a member of the Committee on Veterans' Affairs and is a very valued member of that committee.

Tim, it's a pleasure for us to have you be with us today, and we would like for you to begin.

STATEMENT OF HON. TIM JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. JOHNSON. Mr. Chairman and members of the subcommittee, I want to thank you for the opportunity to appear before you today to discuss amendments to the Montgomery GI Bill. I want to commend you, Mr. Chairman, for holding this hearing.

The Montgomery GI Bill as signed into law this year, and our chairman of the full committee obviously is to be congratulated for his unceasing work in support of the men and women who make up our armed services. The Montgomery GI Bill is one of the best investments in the future the Federal Government has ever made. I am immensely proud as a new member of this committee, a new

Member of Congress, to have the opportunity to serve on the full Committee on Veterans' Affairs at the time of the passage of the Montgomery GI Bill. Countless veterans have used the GI bill to get their education, and we are here to make sure all military personnel in the future receive the same fair treatment and benefits.

I have sponsored a bill, H.R. 3464, which would address two specific areas. The first has been suggested by the people the program is intended to benefit, the military personnel. It is also being addressed by other members of this committee. The provision would allow servicemen and women to have smaller amounts deducted from their pay for a longer period of time. As you can understand, Mr. Chairman, this would ease the burden on the individual without reducing the overall amount paid into the educational fund and make the GI bill even a greater benefit to our service men and women.

The second area addressed is that of education benefits of members of the Selected Reserve Forces. My bill would allow any member of the Selected Reserve to use the GI bill the same way veterans under Title 38 can. Currently, members of the Reserve cannot use the Montgomery GI Bill to attend vocational or technical school. Many of these recruits join the Reserves specifically to take advantage of the excellent technical education they receive. They are unfortunately prohibited from using the Montgomery GI Bill to continue that technical training at vocational schools. This adjustment would simply put them on equal footing with other veterans and military personnel, ensuring consistency in administration of the education program and fairness in treatment of all military personnel.

Since most of these Reserve Forces would opt for vocational training instead of college and since they are part-time personnel, the amount of an individual's entitlement would be reduced.

The same section was adopted last year as an amendment to H.R. 3747 by Mr. Daschle, the former chairman of this subcommittee. That bill was marked up out of the subcommittee and subsequently by the full committee.

I would respectfully request, Mr. Chairman, that you give the same consideration to these members of the Selected Reserve as is given to other patriotic servicemen and women.

Thank you again, Mr. Chairman, for giving me this opportunity to appear before you and the subcommittee. I congratulate you again for holding this hearing on these needed amendments, and I hope we can act soon to put all military personnel on an equal footing regarding educational benefits. Thank you.

[The prepared statement of Congressman Johnson appears on p. 126.]

Mr. DOWDY. Tim, thank you very much for your testimony this morning. I want to make a commitment to you that in the coming weeks, as we begin to work with the proposals that have been advanced by you and the other members, you and I will sit down and discuss them at great length.

Mr. MONTGOMERY. Thank you, Wayne. I will be brief, but I would like to comment on the Jim Jontz bill, H.R. 3208, and also the Tim Johnson bill, H.R. 3464.

On Jim Jontz's bill, I would like to point out a comment that he made that he went out in the field and Joe Kennedy was also on that trip. I think this is one piece of legislation that a great majority of the members understand and like to work on it. A lot of times we find legislation up here that members don't get involved. A number of Members of Congress, as Bob Dornan said, were educated under the GI bill, so also they understand it. You have taken field trips, and you've gone out and you've seen it in action. We've seen it implemented for the young men and women in the service.

So that's the strong point, Mr. Chairman, that Members of Congress have a definite interest in the GI bill and the main interest is improving it so that it will help all Americans. I am glad you pointed that out, Jim.

Just one other area, on the transferability to a member of the family or to the spouse if they earn these education benefits after staying a certain length of time in the service. That was in the bill years ago when we first started on this track of coming up with peacetime GI educational benefits. I think, Mr. Chairman, we need to know what the costs would be for transferability and take a good, hard look at it and consider it at a later date. It certainly has merit to it.

To Tim Johnson, on his legislation, quite frankly, I don't know how the technical and vocational schooling was left out. It was a major piece of legislation. It was passed in a conference between the Senate and the House. It was the last major legislative stumbling block before we could come up with a conference agreement. It was jointly referred to the Armed Services Committee, and at 2 o'clock in the morning we had some problems. And I see some of the people grinning out in the audience; they were right there watching it.

I am really surprised that a lot more areas were not left out because it is such major legislation, and that's why we need hearings on it. I think that others—I know General Weber of the National Guard will testify regarding the fact to why that a reservists cannot use his or her GI bill benefits to get a master's degree and Ph.D. degrees but you can get it under the peacetime GI bill for the Active Forces.

So you make a good point, and I hope, Mr. Chairman, we can follow up on those areas. Mr. Chairman.

Mr. Dowdy. Thank you very much, Mr. Chairman.

Mr. Jontz?

Mr. Jontz. No, thank you, Mr. Chairman.

Mr. Dowdy. Mr. Evans?

Mr. Evans. No questions, Mr. Chairman.

Mr. Dowdy. Mr. Kennedy, any questions or comments to our colleague?

Mr. Kennedy. None, Mr. Chairman.

Mr. Dowdy. Tom Ridge, I'm sorry I didn't see you come in. Any questions or comments?

Mr. Ridge. No questions, Mr. Chairman.

Mr. Dowdy. All right. Thank you very much, Mr. Johnson, for your testimony this morning.

Next we will hear from a panel of recruiters, one from each branch of service. It is our view that recruiters play a very important role in the success we have experienced with the Montgomery GI Bill. I think it would be helpful for us to hear from these individuals.

If you would stand as I call your name and then come to the witness table as you are introduced, please.

The recruiters joining us today are: 1st Sgt. Cheryl Carmine, U.S. Army; M. CPO. Homer Johnson, representing the U.S. Navy, and whose mother happens to be a very dear friend of mine; T. Sgt. Milton Graham, U.S. Air Force; M. Sgt. Calvin Couch, representing the U.S. Marine Corps; and CPO Joseph Lombardo, from the U.S. Coast Guard.

Since you were not requested to submit for the record written testimony, I would appreciate it if each of you would identify yourselves—please be seated first—and then briefly describe your current duties, with special emphasis on what impact the Montgomery GI Bill has had on your work, and any comments you wish to make, speaking individually, regarding the program.

STATEMENT OF 1ST SGT. CHERYL L. CARMINE, NEW HAVEN RECRUITING COMPANY, U.S. ARMY

Sergeant CARMINE. Thank you, Mr. Chairman. It's a pleasure for me to be here today.

I will have to speak of my previous job, since I have only been in my present position for 60 days, first sergeant of a recruiting company. Prior to that, I was a station commander in Bridgeport, CT, where I had a four-man recruiting station. In fiscal year 1986 my recruiters were able to sell, with the GI bill and the Army College Fund, over $465,000 in education benefits to members of the Bridgeport, CT, area.

The GI bill has been very instrumental in my success and that of my recruiters. I use the GI bill every day when I talk to a young man or a young lady and tell them how it will help them. It afforded me the opportunity to acquire the highest incentive there is in Army recruiting, the recruiter ring. I attribute my success to the GI bill and the Army's educational programs that are available to young men and women today.

STATEMENT OF M. CPO HOMER A. JOHNSON, FORCE MASTER CHIEF FOR RECRUITING COMMAND, U.S. NAVY

Master Chief JOHNSON. Mr. Chairman, I am Master Chief Johnson, and I am the Force Master Chief of the Navy Recruiting Command, headquartered in Washington, D.C. I have 12 years' experience in the recruiting business, and I have gone from field recruiter all the way up to senior enlisted jobs in recruiting.

Mr. DOWDY. I need you to get just a little bit closer to the microphone.

Master Chief JOHNSON. I spend about 75 percent of my time in the field visiting recruiters, talking with them about the things that help them do their jobs better. The Montgomery GI Bill is always one of the things that the Navy recruiter feels is very important in their ability to sell the Navy and its' benefits.

Concerning the proposed changes to the Montgomery GI Bill, the one that I think is the most important to the Navy recruiter is the reduced pay reduction over a long period of time. I think that the young married man or woman coming into the service supporting a family is not able to sacrifice that $100 a month up front. If they had an option to take less of a reduction, then that would certainly benefit their contributions to the Montgomery GI Bill.

Mr. DOWDY. Sergeant?

STATEMENT OF T. SGT. MILTON GRAHAM, 3535TH RECRUITING SQUADRON, U.S. AIR FORCE

Sergeant GRAHAM. I would like to thank you, Mr. Chairman, members of the committee, for allowing me this opportunity to speak on behalf of the Montgomery GI Bill. I am an Alexandria, Virginia recruiter. I am a nonprior service recruiter. I recruit active-duty, and I have been recruiting for 2 years now.

The Montgomery GI Bill is, I believe, one of the most important reasons why an applicant comes into the Air Force, if I had to specifically state one particular reason. The impact of the GI bill on my success as a recruiter in getting the type of people that we're looking for in the Air Force has been outstanding.

One of the proposed changes, as the chief petty officer said, was that the monthly contribution be reduced. That is also one of my beliefs. The current salary of a person entering the Air Force in grade E–1 is about $608 per month. Bear in mind, you take out $100 out of that, that leaves $500 a month for them to live off, divided by two—they get paid twice a month in the Air Force—that's $250 a payday you're talking about.

I have a 90 percent sell rate of the GI bill. Nine out of ten people that I enlist into the Air Force select the GI bill because I place a lot of emphasis on the Montgomery GI Bill. I believe if we reduce the amount and extend it over a greater period, I can achieve and the Air Force can achieve even a greater success rate. The Air Force's current success rate is 68 percent last month, and I believe I can get up to 100 percent if we reduced the amount. I thank you very much.

Mr. DOWDY. Thank you.

Sergeant Couch?

STATEMENT OF M. SGT. CALVIN L. COUCH, ENLISTED RECRUITING BRANCH, U.S. MARINE CORPS

Sergeant COUCH. Thank you, Mr. Chairman. My name is Master Sergeant Couch. I am with the Marine Corps, and I am a career recruiter. I have been on recruiting duty since 1974. I have had the opportunity of talking to numerous young men and women, and I had two tours up in Hartford, CT, as what we call a canvasser recruiter. My job now is working at the Navy Annex as instructor analyst, career recruiter, and I go out and inspect a lot of stations. About 75 percent of my time is spent talking to the bag-carrying recruiter, we call them, the canvassing recruiter, at the local recruiting station.

Now, as far as the Marine Corps and the Montgomery GI Bill, sir, we do not per se sell the GI bill. We utilize it as a benefit for the individual once he joins the Marine Corps. We try to sell the Marine Corps first. If he is qualified, or her if she's qualified, for a particular program, then we will enlist them in that particular program.

The GI bill, we utilize it as a benefit to them, their right. We try to move it, tell them what's there for them, and we leave it up to them. We have numerous collateral materials that we utilize at the stations as far as our advertising. We have numerous collateral material that we give them at local recruiting stations, and also we teach the recruiters from day one right out of recruiter school pertaining to the GI bill.

So as far as the benefits of the GI bill, yes, we utilize it. And as far as selling it initially, no, we try to get them to enlist in the Marine Corps first and then we tell them about the GI bill. Thank you.

Mr. Dowdy. Thank you.

STATEMENT OF CPO JOSEPH LOMBARDO, U.S. COAST GUARD

Chief Lombardo. Mr. Chairman, I am Chief Petty Officer Lombardo, and I am in charge of the recruiting office in Portsmouth, NH.

We use the GI bill as part of our overall package when somebody comes in to discuss an enlistment in the Coast Guard. We find that people coming to us have usually talked to other recruiters, checked out the benefits in the other services, and look at the Coast Guard as one of their alternatives. We begin primarily by selling the missions of the Coast Guard, and then discuss benefits from there. The recruiters feel fairly comfortable in their knowledge of the bill so that they can explain it as part of the package.

We find most people coming in already know about it, and they are looking to us as one of the alternatives. It is an important part of our benefit packages, because if we didn't have this bill, it would be very, very difficult for us to compete with the other services and bring in the type of people that we need.

Mr. Dowdy. I thank all of you. I have only one question or comment. We have had an opportunity several weeks to go again to some basic training sites, the Marine installation in San Diego, the Navy installation in San Diego, and we have been to Army and Air Force training bases, as well.

It is my opinion that the young man or woman, when they get to basic training wherever they are assigned, are nervous about basic training and don't know what to expect. Accordingly, this is a bad time and a bad place for that young man or woman to have to make a decision of this type.

I would hope that the recruiters with whom they have been dealing back in their hometown have had an opportunity back in more comfortable circumstances, when they're less nervous and so forth, to sit down and talk at great length about the Montgomery GI Bill with these young men and women who will be later going on to basic training.

I would hope that our procedures are such that the young person and, if he or she is married, their spouse, and their parents have been thoroughly briefed on the Montgomery GI Bill. And I would hope that, without exception, they would know what decision they will make regarding the GI bill before they leave to go to basic training.

Now, do you think that that's possible, that we have notified and informed the future recruit that well about the Montgomery GI Bill? And what types of materials are being provided by the services to the recruiters in the field so that they can discuss this at great length and deal effectively with the GI bill with the recruit before he or she goes to basic training? I would ask you to respond to that.

Sergeant CARMINE. Yes, sir. First Sergeant Carmine. In the Army, we have money to produce Recruiting Publicity items (RPI's), and I have a few of them with me today. The young recruiter carries an Army recruiting pocketbook here with him at all times, in which the GI bill and the Army college fund are explained in detail. It shows the young man or woman what they have to do, how they enroll, what is expected of them and what they get out of it.

We also have another pamphlet that has the GI bill here. The Recruiting Command—has put together a sales book for the young recruiter coming straight out of school. Within the sales book, it shows him how to explain in detail the GI bill.

We also have the JOIN system, (joint optical information network). It's a laser disc video computer that the young recruiter is able to use to sell the Army. The GI bill is expressed and covered in detail in that system.

We in the Army use the GI bill as a major selling attraction. It has assisted us in getting the quality soldier that we have today. I personally feel that the Army is stronger, more motivated, and definitely more educated due to the GI bill and our selling of it.

Master Chief JOHNSON. Yes, Mr. Chairman. Master Chief Johnson. We do not sell the Navy or the GI bill up front by itself. We do business kind of like the Marine Corps and the Coast Guard, in that we sell the Navy and its' benefits. We train our recruiters to find an individual's dominant buying motive, and that is really what we sell the individual, the things that they are looking for from the Navy.

Now, we have followed up on some things, which were a little sloppy in the beginning, in getting our recruiters onboard with the GI bill, how to sell it and how to use it to help them better prepare the individual to make the decision at recruit training on whether to participate or not.

Let me mention some of the things we've started in the last year. Our commanding officers of every recruiting district send a personal letter to the individual at home after they join the Navy, explaining the GI bill in full detail. They encourage the new recruit to show it to their family, their mom and dad, their school counselors, and to get their advice on the benefits and whether they should participate. We also just recently sent out a policy-gram requiring every recruiter to explain in detail the individual benefits of the GI bill and have the recruit sign a statement. This statement becomes a part of their residual record, stating that they understand those benefits. We feel that by doing this, they will be better prepared once they arrive at the RTC to make an informed decision.

[The material referred to appears on p. 205.]

Mr. **Dowdy**. Sergeant?

Sergeant **Graham**. Thank you, Mr. Chairman. Speaking for myself on behalf of the Air Force, I entered recruiting school at a very good time. I graduated from recruiting school in July of 1985—at that time we were going right into the present program that we now have with the Montgomery GI Bill. So I was taught the new way to sell the GI bill.

I have used the GI bill basically to talk to everyone. We have several letters that we send out to parents and guardians of the applicants 2 weeks before they go to active duty, a letter issued from the commander of recruiting service.

Simply stated, 2 weeks prior to going to active duty we send a letter to the parents and the guardians, making sure that the applicant knows what the GI bill is and the benefits that they can use from it, which I feel are very important.

Secondly, we have a question-and-answer sheet that we give out that contains 15 questions and answers about the GI bill.

[The material referred to appears on p. 208.]

Most of the people that I talk to I believe are very, very well briefed on the Montgomery GI Bill, and without the GI bill we would not be as successful as we are.

Mr. **Dowdy**. Thank you.

Sergeant?

Sergeant **Couch**. Yes, sir, Mr. Chairman.

We went at it a little bit differently. We started out with a poster, and it publicizes the New GI Bill. Also, along with the poster we came out with a handout as far as the GI bill and the Marines red stripe. Then all educational pamphlets at age 19, and also the Reserve pamphlet we came out with the GI bill in place. Each one of the recruiters have what we call a product-knowledge book at their local station. Each recruiter has one. We also give them a page with the New GI Bill and all the benefits that are available for them so that they can notify any individual that they talk to about the GI bill, about the educational benefits and so forth. Thank you.

Chief **Lombardo**. Mr. Chairman, as I noted earlier, we first begin a discussion with the roles and mission of the Coast Guard. Then we provide the specifics on the benefits available to them, and we go into detail about the GI bill and how it can affect them after their time in the Coast Guard and what a benefit it is overall.

We use literature like the Air Force uses, and we also have information we receive from the Veterans' Administration which we use to outline more of the program. Some of our offices have VA offices close by, so if there is a problem they can't handle or a question they can't handle, then they bring it right to the VA. The question is usually taken care of.

The problem we find is that we can explain the program to a person when they're in our office, which is a very comfortable environment for the person. They can understand what we're saying. The same is true for parents. The parents can understand what we're saying because they're in their own environment, usually in the home.

What we're finding is when a person gets down to recruit training, they have to make a decision about this bill in those first 2 weeks, and that's very difficult for them to do because they're under an awful lot of pressure at that time.

What we have told them at the recruiting office in a comfortable situation is usually forgotten. They find it very difficult to go ahead and remember everything we explained to them about the GI bill and then try to make a decision right then as to whether or not they should use it.

Many times we have applicants that will come in with their wives or women that will come with their husbands, and they may understand all of the provisions of the GI bill there, but when they get down to recruit training they have to make this decision, and sometimes they will opt not to go ahead and select the bill because of the amount of money that is taken out of their check for it. That is really a decision that should be made between both people, both the husband and wife, because it's a decision that will impact on their future.

So no matter how much we explain the bill in the beginning, we still have to do something about the other end of it because when they're under that pressure situation, they really need to have some time to really make the right decision.

Mr. DOWDY. All right. Thank you very much, Chief.

Thank you all of you.

Without objection, I would like the different pieces of materials that each of you have brought. I would like that material for the permanent committee files. Afterwards, would you please give that to the reporter?

[Retained in committee files.]

Mr. DOWDY. Mr. Chairman.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Let me point out that the distinguished noncommissioned officers here today are the key to the success of the GI bill, that the recruiter is the one that really sells the program. If he or she doesn't know the program fully and doesn't bring it up to that potential recruit, then the program doesn't work. We have found, in going around, that in some of the reports we made by going out and going to recruiting stations before we go to the basic camps where they have to sign up or not sign up, we found that in some cases that the recruiter did not pass on to the family, to that potential recruit that the GI education benefits were available.

Are you having that problem now? Do most of your recruiters coming under you, do they have to bring up the GI bill? We will just go down the line and you can give me an answer on that question.

Sergeant CARMINE. Well, sir, as addressed earlier, most young men and women today are college-bound for one reason or another. I would say an average of 85 percent of them want to go to college. And at that time, if that individual expresses that need as the sergeant over here addressed, that it was his dominant buying motive, we go into great detail and we sit there and describe the GI bill in detail to him, what it can do for him, and how they utilize it.

I agree with the chief down here. I think that the problem that we're actually having is that when that young individual gets to the reception station, because of the culture shock, the psychological things he is going through, he is not thinking about any GI bill at that time. You know, he's just thinking about, where am I, why did I do this. I think that we need to make the GI bill, if that is the dominant buying motive to join a branch of the service, I personally feel that right then that should become part of his enlistment packet. When he gets to the reception station he has already made that major decision in his life and he doesn't have to worry about it. It's been described to him, it's been explained to him, we've told him what it means to him, and if he says yes, I want the GI bill, then let's go ahead right then, take two pieces of paper, fill it out, and ensure the young man or young woman is enrolled in the GI bill.

Mr. MONTGOMERY. Well, thank you.

Before recognizing the chief, let me say the way the legislation was drawn up, the way Congress drew it up, they wanted these young Americans to have the opportunity to get an education. It's the law now that the individual has to sign out from under the GI bill, he doesn't have to sign up for it. I certainly appreciate your selling the services first. I can understand that.

But the Congress wants to stress that they think for the survival of this Nation, that these young men and women have got to get an education somewhere down the line, and we're just telling them to do it, and if you don't want to do it and you have some certain reasons that you don't want to do it, then you have to sign out from under the program and we understand it.

But I want to stress that the Congress drew up the legislation where they want you to get an education and earn these funds, and if you don't, then you have to sign out. But if you don't sign out from under it, you're included in the program.

Chief Johnson.

Master Chief JOHNSON. Yes, sir, Mr. Chairman. It is Navy Recruiting Command's policy that all recruiters discuss the GI bill with every applicant whether they join or not. And upon processing in, again there is a policy in effect that requires every recruiter to go over certain aspects of the Montgomery GI Bill explaining it thoroughly. Upon completion of that process, the individual applicant and the recruiter must sign that statement, and it becomes a permanent part of their record.

Again, that makes the headquarters more confident that the recruiter in fact is giving the information to the applicant. I guess there is no way, other than doing something like that, to ever be assured that it takes place in every case. But we feel pretty confident that this will fix any problem.

Mr. MONTGOMERY. Sergeant Graham.

Sergeant GRAHAM. Yes, Mr. Montgomery. I explained to you some of the literature that the Air Force hands out and sends out to applicants that join the Air Force. We currently also have a video disk, a laser disk, which I believe is an important tool, that we use that explains the GI bill, which they can actually look at, and if they see it rather than just read about it—because applicants have a tendency just to look at a piece of paper and place it to the side, but if they get to actually look and the GI bill is explained, it creates a firm impression in their mind.

But, just like the sergeant was saying, once they are in basic training, they can forget a lot of these things because of the trauma of basic training. The Air Force would like to extend it out to 30 days so that they can make the decision at a more prudent time, at a time where they are well along in basic training and they're back to a regular life style, so to speak. They can make a more firm decision at that particular time. So we would like to see it changed from 14 days basically to 30 days.

Mr. MONTGOMERY. All right. Thank you.

Sergeant COUCH. Mr. Montgomery, would you mind repeating your question, sir? I am sitting here thinking, and I was under the impression that your question was as far as the training that the recruiters get or receive and as far as the information is passed on to the parents. Was that your question, sir?

Mr. MONTGOMERY. Well, my question was this: We went out in the field and found in talking to some recruits, as Sergeant Graham said, they may have taken the paper and put it on the side, but they said their recruiter did not tell them about the GI bill before they came to basic camp.

Sergeant COUCH. Well, as far as the Marine Corps is concerned, we start teaching our recruiters at recruiter school, but we also have quarterly training hours that we teach them once a quarter and we go over this type of training on what benefits or any new benefits or updates on the benefits. And we ask our recruiters to express that to the new recruits or the prospects that they talk to on a daily basis. Also, along with the package that's to be filled out, they should go over the GI bill in full detail. That's why we have the product knowledge book. We require them to go through the product knowledge book when they're selling the prospect for the Marine Corps.

Chief LOMBARDO. Mr. Montgomery, we have a regular checkoff list that we use when we process an applicant. The things that we discuss with a person when we go through that include discussion of the GI bill. It's one of our benefits, and we feel it's important that we go ahead and discuss it.

As far as training for the recruiters goes, I came on recruiting before the bill came into effect, so I had to receive training through VA literature. Recruiters coming in the field with the Coast Guard now do receive training about the bill. They are told that it is a very good selling tool and that they should go ahead and stress it to the applicant that comes into the office.

Mr. MONTGOMERY. Thank you. I know my time has expired, but the chairman said I could ask one more question. My question is—and we better get this on the record—that you also handle for the Reserves some of the recruiting. If that is correct, then tell us briefly what each service does as far as signing up persons in the Reserves and how do you implement the GI bill when recruiting for the Reserves?

Sergeant CARMINE. Yes, sir. We do have the GI bill for the Army Reserve, and we basically sell it the same way. If it's a thing that the young man or young lady expresses, then we go ahead and describe it to them in detail.

Now, you have to take on an individual basis where you're recruiting, and when recruiting up in the State of Connecticut, about

85 to 90 percent of all young men and women are college-bound. This has been drilled into their head at a very young age. So we do basically sell the GI bill for the Army Reserve and the Regular Army on a daily basis. All recruiters at the basic recruiting school at Fort Benjamin Harrison Indiana are taught about the program on both sides of the house and they are well versed with it. When they come to the field, we have to give them a little additional training and we give them these professional sales tools to assist them in selling both programs on both sides.

Mr. MONTGOMERY. Of course, as you know, they don't have to put up the $100 a month.

Sergeant CARMINE. Yes, sir.

Mr. MONTGOMERY. They're eligible, all eligible for the $140 a month.

I am told that in the Army Reserve, that 95 percent of the Army Reserve is now high school graduates and a high percentage are going to college under the GI bill, but I am also told that your recruitment figures are down. Are you holding your strength levels, or is that out of your area?

Sergeant CARMINE. Well, it's kind out of my expertise but, I can say that I have seven Army Reserve recruiters and the Reserve units in my assigned area, are down in strength. As a matter of fact, I just spent last weekend, at a drill discussing how we were going to build that strength. In my area the Reserve strength is down.

Mr. MONTGOMERY. All right. Thank you.

Master Chief JOHNSON. Mr. Chairman, we do not handle Navy Reserve programs. The only Navy Reserve programs we sell are the ones where they serve at least 2 years on active duty which qualifies them for the same benefits as their regular Navy counterparts.

Mr. MONTGOMERY. Who has the Navy Reserve figures?

Master Chief JOHNSON. We have a Naval Reserve Recruiting Command. They are a special entity and they do their own business.

Mr. MONTGOMERY. Okay.

Master Chief JOHNSON. I am not familiar enough with Navy Reserve Programs to answer that question.

Sergeant GRAHAM. Yes, Mr. Montgomery. I do not recruit the Reserve program for the Air Force. We have specific Air Force Reserve recruiters to present the GI bill to Reserve applicants.

Sergeant COUCH. Sir, we handle the Reserves, and we utilize that as a selling tool for the Reserves because it's free, and we use that as, "Hey, enlist in the Marines and it's free education." And we have been doing pretty good with it.

Chief LOMBARDO. Mr. Montgomery, we have a Reserve program and all Coast Guard recruiters handle Reserves as well as regulars. We have one program that is geared specifically to students. It's a split-phase program where they can go to recruit training one summer, the following summer they go to a specialty school.

Most of the people we get are seniors in high school. They come into the Reserve because they want to continue on with college that following September. The problem we are having in that area is they cannot use the bill until after they complete phase two of their training. For some that's a little bit too late because they would like to go ahead and use that money right after they graduate from high school. That is the only problem we're finding with it.

It's a good tool for the Reserves because most of them come to the Reserve looking for something to supplement their education or some financial assistance with their education.

Mr. MONTGOMERY. Mr. Chairman, we might look into that point. I think the way the legislation is drawn up, that the Reserves are not eligible for 6 months after they have signed up, and some of them can get through their basic training in 3 months, so then they have to wait 2 or 3 months before they're eligible.

So that might be a point that we would look into down the line, not this year but maybe next year, where you could put the date back so that as soon as they finish their basic training they might become eligible—that is, reservists—for these education benefits.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Chairman.

Mr. Jontz?

Mr. JONTZ. Mr. Chairman, I have no questions.

I do want to thank the witnesses and say that I appreciate your statements.

I have taken the occasion, Mr. Chairman, to talk to a number of recruiters in my district at home and have appreciated their thoughts on this also.

I appreciate your being here today.

Mr. DOWDY. Mr. Ridge?

Mr. RIDGE. Thank you, Mr. Chairman.

I wanted to embellish and enlarge the compliment that Chairman Montgomery paid to you noncommissioned officers as being primarily responsible for the success of the recruiting program. As a former staff sergeant, I have always felt that NCO's are responsible for the success of the armed services in general.

[Laughter.]

Mr. RIDGE. I am sure that is a view shared by many of us who had the opportunity and the privilege to serve in that capacity.

I have a couple of quick questions. I would like to know from your experience whether or not the men and women who seek to enlist in one of your branches of the service are aware of the GI bill before they walk in to talk to you? Is it a new program that you are selling them, or are they aware of all this literature and all these TV ads and this effort generated by the congressional intent that was explained by Chairman Montgomery? We want these young people to know what's out there. Could you give us your assessment of whether or not these public relations efforts, these TV commercials, are successful? Are these recruits knowledgeable of the GI bill before they walk in? Just a brief answer, please.

Sergeant CARMINE. Yes, sir. For the most part, when people walk into the recruiting station, or we first talk to an applicant, they have a basic idea of the GI bill. They don't know how they get it, how they sign up for it, or what it really does for them, but they have heard of the GI bill when they come through the door.

Mr. RIDGE. Thank you.

Master Chief?

Master Chief **Johnson**. I concur with the previous answer, sir. I feel that in general they know there are GI bill educational benefits. Whether they know the specifics about what's available or whether they have to pay in and contribute or not, I don't have a good feel for those details. But I think in general they know they've got the benefits available.

Mr. **Ridge**. Sergeant Graham?

Sergeant **Graham**. Yes, Mr. Ridge. Most of the applicants, I would say probably nine out of ten know about the GI bill. They don't know all of the specifics about it, but once they find out what they contribute and what we contribute for them, they are more eager to sign up for the GI bill.

Mr. **Ridge**. Master Sergeant?

Sergeant **Couch**. Yes, sir, I have to concur with what has been said already.

Mr. **Ridge**. I have to just interrupt briefly, Master Sergeant.

Chairman Montgomery took many of us and gave us the opportunity to meet a lot of young men and women at the different branches of different basic training stations, and I have to tell you that the one branch of the service where I was absolutely convinced that they were going to be there whether there was a GI bill or not was the Marine Corps. The enthusiasm—all the recruits were enthusiastic, but there was a particular sense that I got after I left the one station. I have to compliment you on that.

Chief Lombardo?

Chief **Lombardo**. Yes, sir. We are finding that they know about the GI bill when they come into the office. What they are really just trying to do is determine which service is more to their liking.

Mr. **Ridge**. Is there disagreement over—then I would yield back the balance of my time—is there any disagreement, based on your experience, that it would be in the best interest of the recruit and the armed services for us to reduce the level of payment and stretch it out over a longer period of time? Is there any disagreement with that?

[No response.]

Mr. **Ridge**. Thank you.

I yield back the balance of my time.

Mr. **Dowdy**. Thank you very much.

We want to thank all of you for taking time to come and testify this morning and to share your knowledge with us. Thank you.

Our next panel consists of individuals from each of the services who work with the Montgomery GI Bill on a daily basis. They are the service program managers for this education program.

With us today are: Lt. Col. Al Bemis, with the U.S. Army; Ms. Judith Korol, representing the Navy; Mr. William Gill, from the U.S. Air Force; Maj. Gary Mueller, U.S. Marine Corps; and Ms. Gayle Christiansen, representing the U.S. Coast Guard.

If you would please be seated. We are very pleased that you could be with us today. We did not ask you to submit written testimony. I would therefore appreciate it if each of you would identify yourselves in the order in which I called you up, describe your job, and explain your responsibilities relative to the Montgomery GI Bill. Thank you.

STATEMENT OF LT. COL. AL H. BEMIS, PROGRAM MANAGER FOR THE MONTGOMERY GI BILL, U.S. ARMY

Colonel BEMIS. Thank you, Mr. Chairman, for inviting us to appear before you on behalf of the Montgomery GI Bill. I am the Army program manager for the GI bill, and I work for Lieutenant General Ono, who is the deputy chief of staff for personnel in headquarters, Department of the Army.

My responsibilities cover policy, the budget, the implementation, and overseeing of the operations on a day-to-day basis of the Montgomery GI Bill as it is implemented within the Active Army, the Army National Guard, and the U.S. Army Reserve. I would say that for the Army, the GI bill is a dynamite seller. There is no question that education benefits is the most important reason that young men and women come into the Army today. For that reason, we have capitalized on that and made it a significant part of a comprehensive package of incentives that we use to enlist young men and women—quality young men and women—into the Army.

I must report to you that our cumulative percentage since the beginning of the bill is now running at 79 percent and that for the past 3 months our participation rate is 92 percent. So, as I said, it's dynamite within the Army. Thank you.

STATEMENT OF JUDITH KOROL, PROGRAM MANAGER FOR THE MONTGOMERY GI BILL, U.S. NAVY

Ms. KOROL. Good morning. Thank you very much for this opportunity to appear here today. I am the principal adviser to the Chief of Naval Operations on all programs pertaining to federally legislated educational benefits. I am involved in program policy, and work closely with committee staffers to track pending legislation. I manage the program, and work very actively with both the active and the Reserve Forces.

STATEMENT OF WILLIAM A. GILL, JR., CHIEF, EDUCATION SERVICES, U.S. AIR FORCE

Mr. GILL. Mr. Chairman, I am William Gill, chief of education services for the U.S. Air Force. I am responsible for dependent education, for the voluntary off-duty education program, including the tuition assistance program, and the GI bill. I am subbing today for one of my colleagues, George Karasik, who is the GI bill program manager. George is on a long-planned vacation in Florida and regrets that he can't be here today.

STATEMENT OF MAJ. GARY E. MUELLER, PROGRAM MANAGER FOR THE MONTGOMERY GI BILL, U.S. MARINE CORPS

Major MUELLER. Mr. Chairman, I am Gary Mueller from the Training Department, Headquarters, U.S. Marine Corps. My position is full-time education coordinator in the training department, of which one of the responsibilities is action officer for the Montgomery GI Bill. My job concerning the Montgomery GI Bill consists principally of being a coordinator, working between various branches, ensuring that the implementation and administration of the program is carried out.

STATEMENT OF GAYLE CHRISTIANSEN, PROGRAM MANAGER FOR THE MONTGOMERY GI BILL, U.S. COAST GUARD

Ms. CHRISTIANSEN. Mr. Chairman, I am Gayle Christiansen from the Training and Education Division at Coast Guard headquarters. It is a privilege to appear before you today. I am responsible for the education benefits offered to the Coast Guard military personnel, and I work for Rear Admiral Matteson in that regard. He will be testifying before you tomorrow.

My job primarily consists of implementing education benefits, including the Montgomery GI Bill, in the Coast Guard for Coast Guard personnel.

Mr. DOWDY. We thank each of you for those comments.

Mr. Chairman?

Mr. MONTGOMERY. Thank you very much, Wayne.

I maybe have a couple of questions, starting with Colonel Bemis. What is the major change that you think—and I would say we'll just go down the line—of what could we do to improve the GI bill?

Colonel BEMIS. Thank you, Mr. Chairman. I believe there are five changes that need to be made to the Montgomery GI Bill. The first is to change the reduction in pay from its current $100 a month for 12 months to a lesser amount. I believe that amount should be $60 for 20 months, vice other suggestions of $50 for 24 months—and if I may explain, it's because the Army is the primary driver of that dollar amount.

As you well know, in the GI bill an individual who enlists for 2 years may get out with a convenience-of-the-Government discharge as early as 20 months and still vest full benefits. By changing the reduction to $60 for 20 months, that assures that we make the full $1,200 pay reduction. If it were $50 for 24 months, we would probably miss a couple of months in many cases.

The second change that I would recommend, would be to provide relief or benefit to some early-discharge people who now are not eligible for benefits. There are four categories of people that I would include. One is individuals who are released early to attend ROTC, some of them with a scholarship, some without—the vast majority without.

A second area of early discharges would be people that we separate due to a reduction-in-force, through no fault of their own.

The third category would be medical discharges without a disability. Primarily, two types. One is those who we find after they have joined the Army that they did not really meet the procurement standards (ie. medical standards), and therefore we have to release them. The second is where we find that they have some kind of a physical condition or disability which doesn't meet those standards but it existed prior to their enlistment. Neither of those are discharged now with a disability; they are just a straight medical discharge.

The last category of early releases would be sole surviving sons or daughters. As you know, we have never retained any individual who is the last of the line of the family within the military, and we offer them that option to get out. I believe that we should provide them benefits also.

The third change that I would recommend would be to change the benefit payments so that you provide 1 month's benefits for each month served. This would eliminate a couple of inequities. One would be an individual who now gets out on a convenience-of-the-Government discharge early and gets the full 36 months of benefits; but an individual who gets out with a hardship or a disability at that same point in time only gets benefits for the number of months that he has served on active duty. This seems inequitable, and we ought to provide 1 month for 1 month.

A second example is that of an individual who is in what we call the two-by-four program—2 years of active duty, 4 years' Selected Reserve—and then later is separated during their Selected Reserve time. The individual who gets out because of a hardship or disability gets 1 month for each month of active duty and 1 month for each 4 months of Selected Reserve. The individual who is separated from the Selected Reserve for unsatisfactory participation reverts back to a straight 2-year GI bill eligible person and gets 36 months, though at the lower rate of $250.

There are two changes that I believe should be made on the Reserve component side. The first one is to provide for the Reserve component people using the Montgomery GI Bill the same broad spectrum of programs that the active component people are eligible for. Let them use it for vo-tech, let them use it for OJT, apprenticeship, and let them use it for graduate degrees.

The last change that I would recommend is eliminating the 180-day requirement to be in the Selected Reserve. There is already a requirement for those individuals to complete their initial active duty for training. In some cases this is before 180 days; in many cases it is after the 180 days, depending on the length of training. This seems to be a redundant requirement to have both of them there. As a result, it causes us—and granted, it's an administrative burden, but it's an administrative burden both for the reservist and guardsman and for the service to keep track of both in determining eligibility. Thank you.

Mr. MONTGOMERY. Mr. Chairman, Al took up all my time.

[Laughter.]

Mr. MONTGOMERY. But I was just handed a note here that this is his 20th wedding anniversary. His wife is with him also today, so I think that makes it all right.

[Laughter.]

Ms. KOROL. Do I still have time to speak?

Mr. MONTGOMERY. Please.

Ms. KOROL. Based on my experiences of dealing with this program on a day-to-day basis and receiving the phone calls from people in the fleet, the number one complaint that I hear is that the amount of pay reduction of $100 a month really is too much.

One of the other areas that I am personally concerned about is when the individual is not able, for a perfectly legitimate reason, to complete the full enlistment, but is discharged honorably. At that point, if it's not hardship or service-connected disability, the individual loses all benefits and also doesn't have anything to show for the money he did put into the program.

Based on the Navy experience when we first implemented this program in July of 1985, we had an 18 percent participation rate and frankly didn't do very well. There were a large number of people who decided to disenroll from the program because they probably had never heard about it from their recruiter, and when they got to the recruit training commands, they weren't given a proper presentation on the program. And so they decided to disenroll. In the first year or so, I received a large number of phone calls and also congressional inquiries where individuals regretted their decision to disenroll.

So the 60-day window, which would allow people who had disenrolled back at the beginning of this program, when we did a less than superior job of implementing it, would give them the opportunity to get back into the program.

On the Selected Reserve side, we are interested in expanding the programs of education to the same programs that are included for those individuals on the active-duty side with the exception of courses beyond the baccalaureate degree.

Looking at the purposes of the Selected Reserve GI bill, those being to recruit and retain people into the Selected Reserve, we find that we have no problems whatsoever in recruiting or retaining officers in our Reserve Force and this is primarily who this provision would affect. The cost of expanding the program beyond the baccalaureate degree, which we have estimated at approximately $5 million a year, could be put towards other programs.

Therefore, we would not support benefits for courses beyond the baccalaureate degree under the Selected Reserve portion.

One other thing that I hear from recruits when they first report for active duty and are given the brief at the recruit training commands is that—and this is just from their first impression of the program—the $300 a month probably isn't enough. They're not looking at it in today's dollars. Even today if you look at the rising cost of tuition, $300 may not be enough. They are looking at it 5 or 6 years down the line. So that may be something to consider, such as under the Vietnam-era GI bill where there were actual cost-of-living-type increases that were given on an annual or biannual basis.

Thank you.

Mr. Dowdy. Mr. Gill?

Mr. Gill. Mr. Chairman, the Air Force would recommend five changes: (1) The single pay schedule of the $60 times 20 months; (2) the 1 month of training for 1 month of honorable service; (3) allow the 30 days to disenroll that is in both H.R. 3208 and H.R. 3180; (4) would be the death benefit or the total disability benefit that is in H.R. 3280; and, (5) the chapter 106, I agree with Colonel Bemis with regard to the same program opportunities as is in chapter 30, recommend dropping the 180 days down to completion of basic training or initial training; and then remove the one-half time because right now that is a barrier to the part-time fully-employed reservist.

I am proud to announce to you that, as Sergeant Graham alluded to in his testimony, that the Air Force—I think the last time General Hickey testified to you, we had about 44 percent participation rate, last month it was up to 68.5. So we have already made a number of changes in the Air Force.

Major MUELLER. Mr. Chairman, I would just like to reemphasize a couple of points made by Colonel Bemis and the other members of the panel regarding the Marine Corps. In the day-to-day implementation of the program, I generally support providing 1 month of benefits for each month served. When we're talking about people that had disabilities that were noted and waived at entrance into the service and then were medically released, we find that there is a problem. I feel that they should draw some educational benefits instead of forfeiting the money they have contributed.

Also, concerning the $60 a month for 20 months issue, I favor stretching it out. The Marine Corps supports this position and in my personal opinion, I feel that it will help get more people to join the program than already have. Presently in the Marine Corps we are getting around a 75 percent enrollment rate without using any of the kickers or other devices to solicit increased enrollment.

We also find that if a $50 a month for 24 months program would be acceptable since we do not have any 2-year enlistments.

Another thing I would just like to reemphasize again is that we would be interested in looking at adding vocational school and apprenticeship programs to chapter 106 along with a less-than-half-time enrollments in the program. Waiving the 180-day rule while having the program begin after completion of boot camp would also be beneficial. Thank you, sir.

Ms. CHRISTIANSEN. Mr. Chairman and Mr. Montgomery, there are three things that I would like to see changed that would make the Montgomery GI Bill more responsive to the Coast Guard's needs. First of all, the Coast Guard is seeing more married recruits now than ever before, and therefore the $60 a month for 20 months reduction in pay would be more acceptable to us than the $100 a month for 12 months.

We get a lot of feedback to the effect that many people would like to participate but they just simply cannot afford it. So that would be the first thing I would like to see changed.

The second is to allow an extended period of time in the first 14 days to make the decision to affirm enrollment or to disenroll. As the recruiters have said and I want to reemphasize, it is one of the most turbulent times in a person's life, and not a time to make a decision of this magnitude. So we would appreciate having an extension of time.

Last, we would like to see the one-time 60-day window to allow people to enroll if they did not do so during the first 14 days of recruit training and also at the beginning of the program when the bill was new and we are not as experienced as we are now. Many people have said to us that they didn't realize what they were opting out from when they did so during recruit training because of the turbulence.

Those are the three that would be the most meaningful to the Coast Guard. Thank you.

Mr. DOWDY. I want to do something a little unusual here. We have a witness that we invited to testify and if all of you would just keep your seat.

Colonel Bemis, today being your anniversary, we will let you go sit by your wife.

[Laughter.]

Mr. DOWDY. We have another Member of Congress who had another commitment this morning, and we wanted to accommodate his schedule now because he has other committee hearings.

He is a member of the Armed Services Committee, which has jurisdiction with our committee on the GI bill. Congressman Duncan Hunter, our colleague from the State of California, is a member of the Armed Services Committee, and was instrumental in moving this piece of legislation through earlier this year.

Duncan, we thank you very much for coming by to testify, and we welcome your input.

Then we will resume the questions from the remainder of the members for the panel.

Mr. SMITH of New Jersey. If the chairman would yield?

Mr. DOWDY. Yes.

Mr. SMITH of New Jersey. I too would like to remark from my side of the aisle to extend a very warm greeting to Duncan Hunter, who, during the Vietnam war received the Bronze Star for some 25 helicopter assaults that he was involved in, and has been a very distinguished member of the Armed Services Committee and a good, close personal friend of mine.

Welcome to the committee, Duncan.

STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUNTER. Well, thank you very much, Chris, and Mr. Chairman, and all members of the committee, and Mr. Ridge especially, another Vietnam veteran over here.

Thank you, Miss Kaptur.

Of course, the gentleman for whom the bill is named, the great Sonny Montgomery. I will be glad to be one of your spear-carriers in this effort to put this bill together.

I am going to try to make it short and sweet so that your other distinguished witnesses can carry on.

I want to speak to a gap in the bill.

I would ask that my statement be made part of the record, Mr. Chairman, if that could be done.

Mr. DOWDY. So ordered.

Mr. HUNTER. As you know, the Vietnam-era GI bill was initiated to protect the future interests of and provide incentives to individuals entering the Armed Forces. Over the years these incentives have helped to attract the best of the best to all branches of the military so that the United States can continue to enjoy the security and democratic freedoms that were established by our forefathers.

I like the basic logic that the gentleman from Mississippi put forward in our committee, and I know in this committee also, when he laid out the fact that the average American family knows what the GI bill is. They know when they sit around the breakfast table and decide whether a member of that family is going to be joining the service, they know that he is going to be getting some benefits that will enable him to make a better life for himself and maybe his future family once he gets out of the service. That predictability, I think, is one of the most important aspects of the GI bill.

On June 1, 1987, the President approved H.R. 1085, the new Montgomery GI Bill Continuation Act, as Public Law 100-48, and while overall it has proven to be a very popular and effective program, it has unfortunately left a loophole through which certain veterans have fallen. I think that the gentleman and probably most of the members of the committee are familiar with this particular loophole.

Every eligible person is entitled to 1.5 months of educational assistance for each month of active-duty service given after January 1, 1955, up to 45 months. Simply stated, veterans who enter the service prior to January 1, 1977, or after that date due to the delayed-entry program, who are honorably discharged from active duty after June 1, 1966, are entitled to educational benefits for 10 years after release. But—and this is the kicker—the termination date for the old GI bill is presently December 31, 1989.

Under the new bill the individuals who have enlisted, re-enlisted, or maintained status in the Active Reserve for no less than 6 years after June 30, 1985, are entitled to educational assistance benefits of up to $5,040 for undergraduate training at institutes of higher learning.

This bill was established to assist in the readjustment of veterans to civilian life following their separation from military life and to assist in recruiting and retaining high-quality personnel by the Armed Forces. I think it's fairly clear that the GI bill is one of the major tools now that is helping our recruitment and retention of quality personnel. It is working.

There were some questions from certain leaders in the administration when a number of you on this subcommittee were fighting for the bill. It is working. It is an important tool in our arsenal for bringing quality people into the military, maybe more importantly, keeping those people in the military.

I think we need to address this matter, and let me get to the loophole. If a person right now retires from the service, for example, on May 1988, he is not eligible to collect educational benefits under the new program because he hasn't completed 6 years on active duty and he hasn't necessarily re-enlisted for 6 years. The benefits that he would collect under the old bill will expire as of December 31, 1989. So that means essentially this person is going to collect only 18 months of educational assistance.

This was brought to my attention when a constituent came up to me at a barbecue and let me know very clearly what he felt about this loophole through which he fell. His name was Doug Allen, and because of his bringing this to my attention and the work of our staff people, we have put together this presentation this morning. So I would hope that we could do something in tying this loophole up.

I think the great thing about the GI bill is that it treats people evenly, it's predictable, and you don't have to have a lawyer with you when you sit down at the breakfast table and decide that you're going to go into the service—although a lot of people who joined the service to be in nuclear artillery and found themselves in the motor pool wish they had a lawyer when they went down there and signed up. That's the great thing about the GI bill, and I think that correcting this one inadequacy would do great things for it.

Thank you for letting me make this presentation this morning. I apologize for being late.

[The prepared statement of Congressman Hunter appears on p. 128.]

Mr. JONTZ (Presiding). Thank you very much for the statement pointing out the loophole.

Let me ask at this point if Chairman Montgomery has a question?

Mr. MONTGOMERY. I would like to thank Duncan Hunter for coming over this morning. Let the record show how much we do appreciate what you did. The bill was jointly referred, and we had to get the bill out of both committees, and you were one of the real key leaders of it.

Mr. HUNTER. Well, I want to thank the gentleman from Mississippi. You know, I was thinking when we put this thing together how great it would look if it was the "Hunter GI bill."

[Laughter.]

Mr. HUNTER. But maybe "Hunter-Montgomery."

[Laughter.]

Mr. HUNTER. But this is the gentleman from Mississippi's bill, and again, I am just a mechanic.

Mr. MONTGOMERY. I don't know, some fellow in California walked up to me and said, "I'm running against Duncan Hunter." I said, "Fellow, I just can't help you at all."

[Laughter.]

Mr. HUNTER. God bless you.

Mr. MONTGOMERY. He's a strong supporter of what a lot of us believe in.

Duncan, actually—and it should be looked into, Mr. Chairman, we have heard some other complaints of this area—we need to know, quite frankly, what it would cost. We need to get some cost figures on this.

But, Duncan, when we were drawing up the GI bill, the Department of Defense said they felt about 35 percent of the military, had not used the benefits and they were eligible, and they were threatening to get out of the service back in 1986, 1987, and be able to get in all their benefits.

Mr. HUNTER. That's correct.

Mr. MONTGOMERY. So, working with the Department of Defense, we extended past 1989 so that all those that were on active duty would be eligible after they got out of the service after 1989 for 10 years to use their education benefits.

I just point that out to you that that's how it got in there. Then we certainly ought to look into the matter of those you said were loopholed. But the Department of Defense didn't ask at that time that those be included, and we took what they requested. So I would say, Mr. Chairman, unless Duncan Hunter has any more comments on that, that we should look at it and see what can be done.

Mr. HUNTER. I appreciate it.

Mr. JONTZ. Mr. Smith?

Mr. Smith of New Jersey. I just want to thank Mr. Hunter for his pointing out to the committee the loophole. I think the chairman has said it all. We will look very carefully, seek some cost estimates, and if it looks like it's something that needs truly to be done, this committee I am sure will be very amenable to that.

Again, I want to thank you for coming to the committee. It's good to see you again.

Mr. Hunter. Thank you.

Mr. Jontz. Thank you.

Miss Kaptur?

Miss Kaptur. No questions, Mr. Chairman, but I do thank Mr. Hunter for his testimony.

Mr. Jontz. Mr. Ridge?

Mr. Ridge. I want to thank my friend and colleague.

I think it's important for the record to note that the GI bill to which you refer and the gap to which you refer would provide benefits, but not as generous as those that are available now under the Montgomery GI Bill. So I think it's worthwhile for us to see if we can extend that eligibility so those veterans are as well served as we want them to be. Thank you.

Mr. Hunter. Thank you very much.

Mr. Jontz. I thank the gentleman.

Mr. Hunter. Thank you, Mr. Chairman.

Mr. Jontz. We do have a vote pending, but I think from the standpoint of—well, we will have to make a decision, whether we will try to finish questioning this panel before the vote or not. Let me ask the committee members how you would prefer to proceed. Would you prefer to try to finish the questioning of this panel so that we can dismiss them?

Mr. Montgomery. Mr. Chairman, I have no other questions.

Mr. Jontz. Mr. Smith, do you have any questions?

Mr. Smith of New Jersey. At this point I don't, but I will very carefully read the testimony. I was detained, as you probably noticed. We had a markup in the Foreign Affairs Committee, and I would have left to come here because I think this is extremely important, but one of the resolutions was my own and I had to stay and talk about it.

So I will look very carefully at the comments you have made, and I may have some further questions, and I would like to submit them to you if I do.

Mr. Jontz. Miss Kaptur?

Miss Kaptur. I just have a real brief question of each panelist if they might just tell us, not the specific changes you want to be made, but what have you noted the differences are as you have administered this program in both attracting and retaining good people in the armed services. I am just curious as to your personal reaction to the GI bill. I know with Sonny sitting here you are not going to say anything that is negative, but I am interested in the impact that you have observed in the armed services as a result of the coming onstream of the New GI Bill.

Colonel **Bemis**. Thank you, Miss Kaptur. I think that what we have seen in the Army is that over the last 6 years that education and education benefits has been the biggest draw of quality kids. The kid coming out of high school, that's what he wants. And the

Army capitalized on that early in 1981 with its education, the Army college fund, and when the Montgomery GI Bill came along, we put them both together and put them out there and just have gone beyond expectations.

The past year, we have exceeded the percentage of high-quality enlistees in the Army, far exceeded any year in history for Army recruiting. So the impact, the record speaks for itself, it's there.

Ms. KOROL. The Navy is still the only service that is growing, and of course our personnel accession requirements have increased every year. There is a shrinking pool of available people, and the additional benefits, our recruiters believe, attract more people. It gets the young people into the office and allows the recruiters to do their job better.

Mr. GILL. From the Air Force standpoint, the Montgomery GI Bill has been extremely successful. In fiscal year 1986 31 percent of our enlisted recruits had been in college prep curriculums. About 44 percent of those youngsters had attended some form of postsecondary education prior to an enlisting. I am glad to report to you today that there are only 495 non-high school graduates in the U.S. Air Force.

So the Montgomery GI Bill has been extremely effective. It's a part of a package that indicates that the number one reason for enlisting in the Air Force today among non-prior service people is to "continue my education."

Major MUELLER. Yes, ma'am. Our personnel chief will discuss the quality overview. But this is an interesting note. Since the Montgomery GI Bill was enacted, the quality of the Marine recruits has gone up. Brigadier General Reals will break it down further tomorrow.

Another interesting sidelight, ma'am, is that it is a perception among our recruiters, in going out into the various communities in the country, that the schools are opening up more because of the Montgomery GI Bill. They are able to go into counseling offices and also some of the private schools to present the military package.

Ms. CHRISTIANSEN. Miss Kaptur, it is a marvelous recruiting device, and it also has opened the door for the Coast Guard to enable our recruiters to go to the high schools and to the colleges to make them aware of the mission and functions of the Coast Guard. The Montgomery GI Bill has made the Coast Guard competitive for us with the sister service in DOD in attracting college-bound high-quality individuals.

Miss KAPTUR. Thank you, Mr. Chairman.

Mr. JONTZ. Mr. Ridge?

Mr. RIDGE. Just one question and a brief response from all the panelists, if you might. I understand the uncertainty of basic training. But I also understand the need for these young men and women to decide for themselves whether or not they want into the GI bill. There is a lot of effort from the recruiter through the basic training station to educate them as to what it's all about. And while there is uncertainty, I don't think it's so traumatic that in that 4 or 6 weeks, however long, they can't make a reasonable, intelligent decision. And we want to encourage them to do that within a limited frame of time because the other problem, the down side, is if you let it go on too long, there may be some equivocation and there is always the problem of paperwork.

What is the maximum cutoff time we ought to give your new recruits to make that decision without keeping it open-ended?

Colonel **Bemis**. Thank you, Mr. Ridge. From my perspective and the Army perspective, we believe it should be at reception station, which is that period of time where the individual transitions from civilian life to military life. In the Army he is not in basic training yet.

Mr. **Ridge**. That's right.

Colonel **Bemis**. He is there. He is getting his hair cut, his finance record is being created, his personnel record is being created, he is getting issued uniforms. All those things are happening. If the recruiting force has—and we believe the Army recruiting force has—done that job ahead of time, he has already made that decision and all it takes is a reinforcement with the movie and the briefing and answering the questions.

The problem I have going beyond into basic training is we've got to train all the drill sergeants, the first sergeants, the company commanders to be able to answer GI bill questions. The last thing a trainee wants to do is see his drill sergeant.

[Laughter.]

Mr. **Ridge**. I understand that.

Ms. **Korol**. From the Navy perspective, we believe that we are getting our recruiting command onboard by better informing the applicants before they even go to basic training. We feel very comfortable that with this new policy that we have instituted, the applicants will know about the Montgomery GI Bill long before they ever report for active duty. We also are implementing another new procedure. On January 1 we will begin automatic pay reductions, meaning everybody's pay will be automatically reduced. This is consistent with the intent of the law that everyone is automatically enrolled.

Consequently, we don't want to lengthen this decision process and end up having to reverse these automatic pay reductions that will occur in the first full month to which the person is entitled to pay. We will continue to have the GI bill presentation and decision-making process done within the first 2 weeks, probably within the first week, at the recruit training command regardless of how much time you allow us to do that.

Mr. **Ridge**. Thank you.

Mr. **Jontz**. I apologize for interrupting, but we are going to have to ask you to either be very brief or to wait until we come back because we just have about 5 minutes to get over and vote.

Mr. **Ridge**. Mr. Chairman, I would let the panel conclude. I am sure they can conclude briefly.

Mr. **Gill**. We would say 30 days.

Mr. **Ridge**. You say 30 days?

Mr. **Gill**. For the Air Force.

Major **Mueller**. Sir, I believe we are going to continue doing it on day two at 0800.

Ms. **Christiansen**. For the Coast Guard, 30 days.

Mr. **Ridge**. Thank you very much.

Thank you, Mr. Chairman.

Mr. Jontz. Let me thank the panel and dismiss you at this point.

We do have three other very important panels to hear, and we will recess the committee for 10 minutes so we can take our vote. We will then be back. Thank you.

[Recess.]

Mr. Jontz. The subcommittee will come to order, please.

We will ask our next panel to come forward, please.

Thank you, gentlemen.

Our next panel includes representatives of military associations. We have with us today Col. Edward Smith, of the Association of the United States Army; Mr. Edward Nolan of the Fleet Reserve Association—is Mr. Nolan here?

Mr. Nolan. I am present, Mr. Chairman.

Mr. Jontz. Okay. Welcome.

Capt. Charles Buesener, representing the Naval Reserve Association.

We also have Mr. Nelson Fink of the Air Force Sergeants Association; Mr. Richard Johnson of the Non Commissioned Officers Association; and Mr. Chuck Partridge of the National Association of Uniformed Services.

Because of the number of witnesses, I would ask again that each witness limit his testimony to 5 minutes. Your entire written statement, of course, will be included in the printed hearing record.

It is a pleasure to have each of you here today.

Colonel Smith, would you like to begin?

STATEMENT OF COL. EDWARD P. SMITH, USA (RET.), DIRECTOR OF MEMBERSHIP SERVICES, ASSOCIATION OF THE UNITED STATES ARMY

Colonel Smith. Thank you, Mr. Chairman.

Sir, I appreciate the opportunity to speak on behalf of the 170,000 members of our organization, the Association of the United States Army.

Of the five major issues incorporated in the three bills, AUSA members strongly support three. I will explain each briefly.

First, the compensation payment. In an earlier hearing on H.R. 3001, the Association indicated its full support to legislation to pay a death benefit to beneficiaries of any Armed Forces member entitled to education assistance under the Montgomery GI Bill who died while serving on active duty. Because H.R. 3208 incorporates the previously proposed action and wisely expands the list of categories of eligibles for compensation payment to those Armed Forces members who had intended to take advantage of educational assistance but subsequently were unable to do so because of physical or mental disability or death, we support legislative actions guaranteeing compensation payment to entitled survivors or the individual's estate.

Second, a revised contribution schedule. While the Association continues to strenuously oppose the contribution principle, if such contributions must remain a mandatory feature, the Association of the United States Army supports providing alternative contribution schedules in addition to offering a reduction in pay of $100 per month for 12 months, AUSA recommends offering a payment of $60 per month for 20 months, as included in H.R. 3208.

Third, the enrollment period. We applaud the record of all the services in encouraging GI bill participation and enrollment, and particularly the Army's present monthly rate approaching the mid-90 percent. We nevertheless believe an opportunity should be available at the end of basic training, whether that be 30 days, 45 or 60 days, to enroll any trainee who for any reason had not previously enrolled.

Sir, before concluding, I would like to take advantage of the offer that you afforded to us to add to testimony. One additional area, which we believe would improve the effectiveness of the Montgomery GI Bill, which is to allow Selected Reserve eligibles under chapter 108 and 106 to use benefits for the same programs as active-duty eligibles are provided under chapter 30.

In summary, AUSA members urge passage of the legislation to provide a compensation payment under the conditions of H.R. 3208; to permit enrollees to choose a contribution schedule as proposed in H.R. 3208; to allow recruits to make a final decision in which to participate at the conclusion of basic training, as included in H.R. 3180; and to amend the current bill to make provisions of the Selected Reserve more equitable, particularly as pertaining to attendance at vocational-technical schools and graduate schools. Thank you.

[The prepared statement of Colonel Smith appears on p. 132.]

Mr. JONTZ. Thank you.

I think we will proceed in the order in which you are seated. So, Mr. Fink, if we could call you at this point.

STATEMENT OF NELSON L. FINK, LEGISLATIVE ASSISTANT, MILITARY AND GOVERNMENT RELATIONS, AIR FORCE SERGEANTS ASSOCIATION

Mr. FINK. Thank you, Mr. Chairman.

Distinguished members of the subcommittee, it is a real privilege and opportunity for us in the Air Force Sergeants Association again to be part of the testimony on the bills before the subcommittee this morning.

As stated in our previous appearances before this committee, we support reducing the member's contribution to $60 a month and spreading the payments out over a 20-month period. The 60–20 formula is more affordable and ensures the member will fulfill his or her financial obligation to the GI bill before any education assistance is authorized.

Based on our observations as a member of Chairman Montgomery's fact-finding trip, extending the consideration period for participation in the GI bill from the first 14 days of basic training to the end of the basic training period would give the recruit more time to consider such an important decision.

Since the period of basic training varies between services, we recommend the period of consideration be extended through the fourth week of basic military training to maintain uniformity between the services.

Further, we would recommend recruits who do not initially choose to participate in the GI bill program during the established enrollment period be given an opportunity to enroll at a later date or disenroll at a later date, somewhere around the 60-day period.

Our Association strongly supports the provisions of H.R. 3180 to permit service Secretaries to authorize transferability of GI bill benefits to eligible dependents if the servicemember is discharged under hardship or disability conditions or completes 20 years of active military service.

Additionally, our membership will support the provisions of H.R. 2950 to pay an educational assistance allowance to eligible individuals pursuing an approved flight training program.

A few observations that I have had that I would pass on to the committee for their consideration is that one of the biggest reasons for the support of the 60–20 formula change is that some of our young married enlisted recruits are having a terrible time just trying to maintain the family budget within the first period of basic training. With $100 a month coming out of their pay when the wife and children's whereabouts as far as their first duty station, is an awful decision to make when their changing society.

The extension period, changing from the 14th through the fourth week of basic training gives that individual a chance while his life style, his mannerisms and so forth are taking place, to make a decision that would affect him for the rest of his life.

Transferability, of course, has been stated many times in varying ways, and I think all of them have the credibility that for all family crises that may arise in a young serviceman's or servicewoman's initial entry into the service, medical disabilities or any other various incident that may come up, they should be allowed to transfer their unused portion of the GI bill to their beneficiary.

That concludes my testimony, Mr. Chairman. Again, I thank you for this opportunity.

[The prepared statement of Mr. Fink appears on p. 135.]

Mr. JONTZ. Thank you.

Captain Buesener?

STATEMENT OF CAPT. CHARLES A. BUESENER, DIRECTOR OF LEGISLATION, NAVAL RESERVE ASSOCIATION

Captain BUESENER. Again let me say it's my pleasure to appear before you. I intend to talk a little bit this morning on the applicability for this program to the reservists, the selected reservists.

Number one, it's working extremely well. Not only are we getting the high-quality recruits in our initial young enlistment people, we are for the first time have been able to crack into the junior college market with a program that is both appealing for the student and useful for the Naval Reserve.

What we are finding also is the GI bill is a great retention tool for us and gives us the force stability that we need. One of the problems with the high-tech Naval Reserve is the length of time for training and the cost to train. I have here several sheets that give you an idea of what we are talking about.

Some prime examples: Our cost to train these people and get them qualified, i.e., get them the combat-readiness that they need to deploy is running us about $100 a day. Some of these schools run 68 days for one Navy enlisted classification qualification that is necessary to put that man in a combat arms unit. We are talking about losing $6,800 if we don't retain that person with enough carrot to make the investment possible. The Reserve component is truly an All-Volunteer Force because in fact if they don't like it, they can walk tomorrow.

What we are seeing is that the GI bill with the 6-year enlistments going up at an astronomically good rate, we now have population stability so that we can invest this capital in the person and get the payback that is so essential for us.

The annual charge or cost in Reserve pay Navy for just this type of training is over $13 million. If we can keep these high-tech trained people, the GI bill in a sense is paid for by increased retention. I would urge you to do that.

As we get further down the line, I would urge you also to consider, in addition to transferring this vested entitlement, if I am allowed to say that word, to a dependent and a child, because what we find is after the gentleman gets on in years a little bit, he's not going to go to college, but he would be very willing to stay on and plow back that training for another 5 years of "sweat equity" to get his child enrolled in college.

When this man is coming up for first-class and chief petty officer, his focus is more on the education of his children, and that becomes a demanding thing in his life. Sometimes they have to get out and not come to the Reserves because they need that second job on the weekend. And when that occurs, the taxpayers lose because we have to start with a new guy with no qual's and it will cost us another $65,000 to get him up to that readiness qualification.

Since this BI bill is primarily an enlisted program, and since much of our technical training is relatively equivalent to vo-tech, we would like to see the GI bill for the Reserves also include vocational training. In the development of our master training plans for these people, we are giving them military qual's when vocational training is suitable, vis-a-vis welding, vis-a-vis underwater diving. These are skills that are available in the vo-tech community. When the come to us with the certification, we give the military readiness qualification, but on the other side of the street we can also allow that GI bill to directly affect and increase our military readiness if we do so it becomes a force readiness multiplier.

One of the big things coming down in the future is health care professionals. I don't know whether you realize it, but for us to send a man into an X-ray technician school at Bethesda, which is an absolute requirement for qualification, costs us $37,500. It is ridiculous for us to not do everything we can relative to transferability to dependents to amortize this cost, because really the taxpayer is going to be way ahead if we do so.

So we support all of those amendments that would broaden the scope and broaden the applicability of this for the individual member. Thank you again for your time, and I will answer any questions later. Thank you.

[The prepared statement of Captain Buesener appears on p. 138.]

Mr. JONTZ. Mr. Nolan?

STATEMENT OF ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION, ACCOMPANIED BY PETER ROSS, PRESIDENT

Mr. NOLAN. Mr. Chairman, the Fleet Reserve Association compliments this subcommittee for its astuteness in promptly considering the legislation to improve the Montgomery GI Bill's implementation and effectiveness. You have addressed all of the negative reasons the recruits gave us last February for nonparticipation in the peacetime GI bill.

Provisions of H.R. 2950 to allow individuals to use their benefits of the Montgomery GI Bill to pursue flight training are basic and contain requirements to protect the program's future integrity from abuse. The liberalizations offered by H.R. 3180 and H.R. 3208 are similar.

After carefully analyzing the provisions of each bill, the Fleet Reserve Association must wholeheartedly endorse H.R. 3208 because its comprehensive provisions address the correction of the current negative features of the peacetime GI bill in a more practical manner.

The Fleet Reserve Association strongly recommends the addition of two provisions to H.R. 3208 which will safeguard certain careerist benefits. Please recognize that in the attempt to achieve success in the All-Volunteer Force, the enlisted military careerist has been the helpless victim of VEAP, various bonus programs, and vacillating compensation policies. Based on this experience, the military careerist perceives that he is the victim of an erosion of benefits. A very large percentage of active-duty personnel recognize VEAP for exactly what it was: a very poor imitation of the cold-war GI bill. Therefore, they did not elect to participate in that education. Because of this, they are not included in the temporary enrollment period as contained in H.R. 3208. FRA feels that any such person now serving on active duty most certainly should be included in the temporary enrollment period provided for in H.R. 3208.

Our second amendment would be to include those persons now serving on active duty who are entitled to benefits of the cold-war GI bill that will forfeit or shorten this entitlement because they have remained on active duty beyond a time that would allow their schooling to be completed before 31 December 1989.

These two added provisions would enhance the Montgomery GI Bill, enable it to proclaim to all young Americans now serving or considering serving in our Armed Forces that service in the uniform of our country and the benefits of higher education go hand in hand.

In sharing your goal, we offer this testimony and urge you to seriously consider our recommendations in support of H.R. 2950 and H.R. 3208. Thank you, Mr. Chairman, for this opportunity to express our views today.

[The prepared statement of Mr. Nolan appears on p. 141.]

Mr. JONTZ. Thank you very much.

Mr. Johnson?

STATEMENT OF RICHARD W. JOHNSON, DIRECTOR OF LEGISLATIVE AFFAIRS, THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. Richard JOHNSON. Thank you, Mr. Chairman.

I would like to talk briefly this morning in my allotted time about two things: one, the participation fees; and two, the focus of this GI bill on veterans and its impact on the career Air Force.

With regard to participation fees, NCOA is noting a disturbing trend which we have alluded to in our prepared statement. That is that we have veterans paying for things today which used to be the product of reward by a grateful Nation for service. We have veterans contributing to their own education programs. We have veterans contributing to their own health care programs. We have veterans paying for services and home loan guarantee programs.

It is a very disturbing trend, and rather than sitting here today trying to develop a program to reduce the fee to make it more appetizing to young recruits, we should be sitting here figuring out how we get rid of that fee, how do we eliminate that fee in the first place, why is the fee there?

It was not envisioned as an original part of the Montgomery GI Bill. It was a mustache colored on the program by the Senate. It was a mustache colored on the program in hopes of making the New GI Bill, the Montgomery GI Bill a failure. That was the only reason that fee was created. We ought to be plotting its demise today.

Now, certainly NCOA would support extending it, extending the payment period to make it more palatable, to give the opportunity of participation to a larger group of recruits. But again, I think the goal of this committee should be to eliminate that fee altogether, and with the elimination of that fee, we would eliminate discrimination against those who now cannot afford to participate, would eliminate most of the administrative problems that go along with that fee, and in fact would virtually eliminate all the problems that are associated with the program now.

Now with regard to the veterans in the career force. We have in the Armed Forces today a whole generation of servicemembers who enlisted prior to June 1985 but after January 1977, who virtually have no GI bill. Now, a lot of people will tell you that the VEAP program is an education program that's worth something. And indeed it is. It is better than nothing—but not by much.

The Montgomery GI Bill, as it was originally drafted, envisioned including those people who continued to serve in the Armed Forces in its provisions. Once again, the other body decided that those people were already on the hook for service, did not need the benefits of a New GI Bill, did not need to participate in the Montgomery GI Bill program, and they wrote it out. When it was written out, they also wrote off new enrollments in the veterans education assistance program. Through the efforts of the chairman, that program was open to new enrollments for a short period earlier this year, but unfortunately a lot of folks still didn't get the word that that was their last chance to participate in the GI bill.

Moreover, though, these folks are veterans entitled to a GI bill just as every other veteran has been provided a GI bill since 1945.

Yet they are a forgotten generation that will remain such until the provisions of this bill are open to their enrollment.

Therefore, we strongly plead with this committee to include those folks and to include the provisions for military retirees, as was pointed out by Duncan Hunter in his testimony earlier today, and by a couple of previous witnesses.

That concludes my remarks. Thank you.

[The prepared statement of Mr. Johnson appears on p. 146.]

Mr. JONTZ. Thank you.

Mr. Partridge?

STATEMENT OF COL. CHARLES C. PARTRIDGE, USA (RET.), LEGISLATIVE COUNSEL, NATIONAL ASSOCIATION OF UNIFORMED SERVICES

Colonel PARTRIDGE. Thank you, Mr. Chairman.

I appreciate the opportunity to present the views of the National Association for the Uniformed Services. We support the bills which broaden the applicability of the Montgomery GI Bill and extend its availability to members of the Armed Forces. We also support Mr. Duncan Hunter's proposal regarding the removal of the 31 December 1989 delimiting date on the Vietnam bill. I won't discuss each of the provisions of the bills, but I would like to concentrate my time on one provision, which is the transfer of the entitlement to dependents.

We support the proposal in H.R. 3180 which would authorize a servicemember to transfer his basic entitlement to his dependents. Veterans who elect to make the Armed Forces their profession have little opportunity to accumulate sufficient savings to provide a college education for their children. As a result, many at the mid-career point reluctantly leave the service for higher-paying professions so that they can afford to send their children to school.

This provision would be very appealing to senior NCO's who are hard-pressed today to meet the high costs of college education for their children. It would also help bring the level of compensation for military service up to the modern day in comparison with the new Federal Employee Retirement System which has a thrift plan. There is no such plan for military compensation. This would be the closest to it for individuals who initially elect the GI bill. Further, private industry is increasingly providing tuition assistance for their employees and members of their employees' families. We strongly urge that this entitlement to transfer be given thorough consideration. Thank you.

[The prepared statement of Colonel Partridge appears on p. 150.]

Mr. JONTZ. Chris Smith?

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

I want to thank our panel for their very fine comments. They will be most helpful as we craft a final bill, and I do think that this committee will move on a bill, maybe not one of those that has been introduced, but a composite bill that takes the best of each and puts it all together. Your input certainly is very, very helpful.

I really don't have any questions, because you have touched on all the main points—transferability, refundability, extending the time, the eliminating date, as Mr. Partridge indicated a moment ago—to follow up on what Mr. Hunter had said. So I think we have a lot of good ideas for reforming, updating, if you will, an already good program, the Montgomery GI Bill. So I thank you for your comments today.

Mr. **Montgomery**. Thank you, Chris.

As I look at our witnesses, really the GI bill is your bill. I look at you, we've all been on trips together, we've seen this through. We have worked on different groups in the Congress, and we have talked through these problems. As you have heard me say, I have a feeling that we better move slowly on some of these suggestions to be sure that we've got a good picture of what we are trying to do.

Of course, this is up to the chairman of this subcommittee and the ranking minority member, what they would want to bring out. But Colonel Smith, would you go again, and each of you, and give your top priority of what your Association is supporting as far as changing of the bill or not changing it?

Colonel **Smith**. Sir, just to select one top priority, our top priority would be the compensation payment because it's equitable and under the expansion as proposed in one bill it would include more categories than just the one category in H.R. 3001.

Mr. **Montgomery**. Okay.

Mr. **Fink**. Mr. Chairman, Nelson Fink, from the Air Force Sergeants Association. I think if I had to pick just one priority for the Association to support, it would have to be the reduction in the payment from the $100 in 12 months to the proposed $60 for 20 months that we might have an increase in the participation rate, and it would help a lot of our young married Air Force enlisted people take advantage of an outstanding program. Thank you.

Mr. **Montgomery**. We had somebody out to move around talking about the GI bill. The report came back—I'm not sure which service it was—that one of the complaints why they couldn't pay the $100 a month was that their phone bill calling home was around $100 a month.

[Laughter.]

Mr. **Montgomery**. I'm a little concerned about that in that I would hate to see them miss out on educational benefits because that was $100 a month that they had to spend for phoning and they just felt like they couldn't do both.

Captain?

Captain **Buesener**. In terms of the Naval Reserve for the selected reservists, I believe the biggest and most important payback would be the transferability of the educational benefit to a designated bona fide dependent to increase retention benefit we could get out of this.

Mr. **Smith** of New Jersey. Would the chairman yield?

Mr. **Montgomery**. Yes, I would be glad to yield.

Mr. **Smith** of New Jersey. I thank the chairman for yielding.

Captain, maybe you could just clear up something for me. I am reading your testimony, and you point out that H.R. 3180 and H.R. 3208 would be conditionally supported on the transferability issue providing it was fully applicable to the vested Reserve Force personnel.

It's my understanding that we put that in the bill, but perhaps we are in error?

Captain **Buesener**. Well, not, it was my understanding. I just wanted to make sure.

Mr. **Smith** of New Jersey. Oh. Okay. You are just reinforcing that point.

Captain **Buesener**. Yes.

Mr. **Smith** of New Jersey. Okay. Thank you.

Thank you, Mr. Chairman.

Mr. **Montgomery**. You know, as I mentioned earlier, the transferability was in our original bill, but because of cost it was taken out. You know, I do think it has some merit. But as I mentioned earlier, we need to really follow up and be sure what the cost factor is. Of course, if you could keep some naval aviators and some Air Force and technical people in the service by transferability, you wouldn't have to keep but 15 or 20 of them and you'd save $1 million on them right there. I'm sure it would help pay for the transferability. So I think it does have some merit.

Captain **Buesener**. Yes, sir. When you weren't here, as part of my testimony I pointed out that for us to train a hospital corpsman to be an X-ray technician at Bethesda in Reserve community, the NEC cost is $38,500 for that cost. And we are talking about retaining that man after we make that capital investment. It seems to me the GI bill benefit is a pretty good bargain under those dollar amounts.

I have a list here of 800 of these type necessary course training that we're going to have to have in the 1990's to maintain our capability, and it's a good program. If the committee would like them, I could provide them for the record.

Mr. **Montgomery**. Thank you.

Bob Nolan, the unit that you represent is having a reception tonight, I believe, and you gave us news the other day that you were getting ready about a year from now, Bob, to leave us. You never leave us, you're part of it. I just want the record to show how much we have enjoyed working with you.

Mr. **Nolan**. It has certainly been my pleasure, Mr. Chairman, to represent my shipmates for the past 22 years in this job. And my job is elective. I was elected to a 3-year term a year ago September, and I will serve until September 1989. I didn't say I was going to retire, I just don't intend to seek the heavy burden of continuing in that job past September of 1989.

Mr. **Montgomery**. You kind of sound like some of us politicians. [Laughter.]

Mr. **Montgomery**. Well, if you want me, if there's a groundswell, you know, I might consider running for that position.

Mr. **Nolan**. I think once that I have announced that I have taken care of it, that I am going to have to leave now because it would be a little bit different with politics in the Association than it is in the broad spectrum across the public sector.

To answer your question, if I had to choose my shipmates had to choose—and we discussed this last month at our convention in Virginia Beach—they would also say to change the payment down to a lower monthly payment. I think that is the broad provision that would affect the most and be most beneficial across the board. I think maybe what I should add is the second of the two amendments that I addressed here is the very subject that Congressman

Duncan Hunter was speaking of on the date for the military careerist.

You have to be careful there. I feel that if that is not addressed and resolved, then even the people who are eligible for the benefit don't believe its a fair bill. It gets a certain amount of bad-mouthing around the chief's quarters and first-class' quarters and so forth and drifts on down to the ranking seaman.

The program, to them it seems there is something not quite right about it when it has a flaw in it that drops out. We thought we had the problem resolved when we got the GI bill with Senator Yarborough in 1966. Then as I said in my testimony, with the All-Volunteer Force and VEAP and that coming into it, we're right back to square one again. I think that its a problem that rates a high priority, although we're probably talking about comparatively few in the Navy I bet it doesn't affect 10,000 or 15,000 people, but it's an important factor.

Mr. MONTGOMERY. Thank you.

Dick?

Mr. Richard JOHNSON. Well, as a career force, primarily career force organization, our members would be most interested in the career force equity issues, and those career force equity issues are in providing the education benefits to those people who are forced to retire after the implementation of the New GI Bill, thus not having the opportunity to have their full 10 years and to provide the benefits to those people who are part of that forgotten generation.

It was not intended in your original bill, Mr. Chairman, but that forgotten generation of servicemember who enlisted between 1977 and 1985, who in effect really don't have a GI bill, would like to go back to your original legislation as you envisioned it, and provide those folks an opportunity to enroll in this new program.

Mr. MONTGOMERY. I guess most folks do have the VEAP program, which nobody used. Is that correct? I mean, the VEAP program was there between 1977 and 1985.

Mr. Richard JOHNSON. Yes, Mr. Chairman. That's the exact argument we offer for justifying their participation in the Montgomery GI Bill.

Mr. MONTGOMERY. Yes, Mr. Partridge?

Colonel PARTRIDGE. Mr. Chairman, I believe the point that our people would be most interested in is the transfer of entitlement to dependents.

Mr. MONTGOMERY. Thank you.

Mr. DOWDY. I want to thank all of you very much. I want to apologize. I had a commitment that I had to be gone for 45 minutes. But thank you very much for your willingness to be here this morning.

We would ask the next panel to come forward: Gen. LaVern Weber, of the National Guard Association; Col. Ben Catlin, representing the Air Force Association; Gen. William R. Berkman, from the Reserve Forces Policy Board; and Col. James Rodenberg, representing Col. Judd Lively of the Reserve Officers Association.

Also on this panel will be: Comdr. John Wanamaker, of the Retired Officers Association; Mr. Albert Friedrich, of the Navy

League; and Chief Alan Obermiller, of the Enlisted Association of the National Guard.

Again, we thank you for your testimony, and we have acknowledged receipt of your written comments which will be made part of the record, and we would again appreciate it if you would stay within the 5-minute rule.

We would ask that you would proceed in the order in which you were recognized.

STATEMENT OF LT. GEN. LAVERN E. WEBER, AUS (RET.), EXECUTIVE DIRECTOR, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General **WEBER**. Mr. Chairman, again we are most appreciative for the opportunity to come before this distinguished committee to speak to a couple of issues on the subject at hand. Most of the points that we have chosen to talk about have been discussed here, so I will make my remarks very brief and tell you that the report that I get from the National Guard Bureau is that the Montgomery law is a tool for enlistment and retention that is far exceeding the originally conceived program.

All the enlistments being for a period of 6 years provides great stability, and with the quality of individuals that are being brought into the Army and the Air National Guard, it has immeasurably enhanced the readiness of that force.

The majority of the changes in the three resolutions that are under consideration pertain to the Active Force, and it would be somewhat presumptuous of us in the National Guard Association to attempt to determine what is good for the active services and what isn't so good. So we would only suggest that the Montgomery law continue in place and that the active services continue to fine-tune as we will hope to do in the Guard.

I do have two recommendations, however, that we feel we need to further enhance the quality of people we are getting in the Guard. That is to expand the program to include coverage for community colleges and advanced degree work; secondly, that we include individuals who cannot participate at the level of a half-time student, that it be permitted to cover a shorter period of time for those individuals.

These are the two changes that we would recommend be provided from the standpoint of the National Guard. That concludes my comments.

[The prepared statement of General Weber appears on p. 152.]

STATEMENT OF CHIEF ALAN OBERMILLER, CMS (RET.), EXECUTIVE DIRECTOR, ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES

Chief **OBERMILLER**. Mr. Chairman, distinguished members of the committee, it is once again my pleasure to appear before you to submit testimony concerning the Montgomery GI Bill. On February 18 of this year I presented our views on making the New GI Bill permanent legislation. Earlier this year I was also privileged to accompany Chairman Montgomery on a fact-finding trip to basic training centers of the services to participate in question-and-answer periods with trainees. Two of the main concerns as reasons for nonparticipation, as stated by the trainees at that time, were: the amount of pay withheld, which was $100 a month for 12 months, on the pay of a basic soldier or sailor or airman or marine; and the limited amount of time permitted to make this important decision in the stressful training environment.

Also, another often-stated enhancement of the program is the transfer of that entitlement to family members.

H.R. 3180 and H.R. 3208 we believe adequately address those obstacles to additional educational participation. We have no preference between the two bills as it relates to stretching out the payment schedule, the language on transferability of entitlement, or in providing additional time for the decision process.

Turning to H.R. 2950, that bill addresses the Reserve component entitlement under section 2 and points up a recognized need for vocational training as well as academic education.

Mr. Chairman, we believe vocational training is also necessary to national goals of educational excellence and technological superiority into the future. America still needs skilled craftsman to manufacture and design the tools of production, to put ideas into form and projections into reality. We need to continue to encourage vocational education as well as academic achievement.

We believe the entitlements under chapter 106 of Title 10 should be identical to those under chapter 30 of Title 38 as far as types of training are concerned. We believe, as we have stated, that benefits should be expanded to include all phases of academic education, including advanced degrees. It directly affects readiness in the fact that advanced education in today's world contributes to the mastery of complex systems and hardware, and what remains to be done, in our view, is to maximize the value by covering all forms of higher education for our Guard and Reserve citizen-soldiers.

We appreciate your efforts to give us the best educational opportunity possible and also for your strong support of the Guard and Reserve soldier and airman and their special needs. Mr. Chairman, I will be happy to answer any questions to the best of my ability. Thank you.

[The prepared statement of Chief Obermiller appears on p. 156.]

Mr. DOWDY. Colonel Catlin?

STATEMENT OF COL. BEN S. CATLIN, ASSISTANT EXECUTIVE DIRECTOR, AIR FORCE ASSOCIATION

Colonel CATLIN. Mr. Chairman, I am Colonel Catlin, from the Air Force Association, and it is a privilege for us to be allowed to testify. Most of the issues have been covered, so I will summarize.

We support changing the monthly payroll deductions to $60 for 20 months, extending the opt-out period to 30 days after entry on active duty, transferability of educational benefits, allowing active-duty members who chose not to enroll in the original program 60 days to enroll now, allowing Guard and Reserve members to use their benefits for the same programs as active members, and providing prorated benefits to Guard and Reserve members to attend school on less than a half-time basis.

That concludes my summary. I would be happy to answer any questions.

[The prepared statement of Colonel Catlin appears on p. 164.]

STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN, MILITARY EXECUTIVE, RESERVE FORCES POLICY BOARD, OFFICE OF THE SECRETARY OF DEFENSE

General BERKMAN. Mr. Chairman, and members of the committee, on behalf of our chairman, the Honorable Will Hill Tankersley and the other members of the Reserve Forces Policy Board, it is a pleasure and an honor to be with you today.

As you know, the Reserve Forces Policy Board is by statute a principal policy adviser to the Secretary of Defense on all matters affecting the Reserve components. The Board has characterized the Montgomery GI Bill as Nation-strengthening. And indeed it is, and many of the proposed amendments you are considering today will make it even more effective.

It is the Board's position that amendments that would expand Reserve component coverage to permit vocational, technical, and graduate education assistance are extremely important and worthwhile. They would make the Montgomery GI Bill an even more effective incentive for recruiting and retaining the highly qualified young men and women into the Selected Reserve Forces of our Nation. Thank you, Mr. Chairman.

[The prepared statement of General Berkman appears on p. 165.]

STATEMENT OF LT. COL. JAMES C. RODENBERG, USAF (RET.), LEGISLATIVE COUNSEL, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Colonel RODENBERG. Mr. Chairman, Colonel Lively was unable to be here this morning. I am Lt. Col. Jim Rodenberg, and it is a distinct pleasure for me to appear before your subcommittee. I want to thank you for providing this opportunity for me to represent the many men and women of all the uniformed services who are members of that Reserve Officers Association. ROA would like to thank this subcommittee for the actions that it has taken in the past in providing educational opportunities for all our military personnel both active and Reserve, and we appreciate having this opportunity to day to comment on the proposed legislative changes to this important program.

ROA has worked with most of you to make the New GI Bill a reality. There is every indication that the new Montgomery GI Bill is having a positive impact on the number and the quality of recruits entering both the active and the Reserve Forces. I think that has been well attested to here this morning. We do believe that the law can be improved.

The ROA membership endorsed the need for certain improvements at our national convention in July. We have provided some recommendations to this subcommittee already. We have provided a copy of the resolution passed in July of this year.

In its resolution, the Reserve Officers Association recommends improvements in three areas: ROA supports legislative change that would permit reservists to use the Montgomery GI Bill for post-graduate training. We believe this would attract and retain college graduates into the Reserve programs. We support the modification of the New GI Bill to permit the refund of the member's costs if the servicemember due to death or other cogent reasons is unable to use the benefit. This legislative fix is contained in H.R. 3208.

Lastly, ROA believes that on-the-job training, correspondence schools, and apprenticeships presently under the New GI Bill or active-duty personnel should be extended to include the Reserve component. In addition to improving the program as being more attractive, the courses would raise the overall effectiveness of the Reserve component.

We realize there are several other issues which the committee will be addressing as they look at the three bills. The ROA national staff has considered the provisions of these bills. However, the Association has not taken an official position on the other provisions contained in the proposals. We do recommend that this committee work with the uniformed leadership of the services in adopting, rejecting, and/or modifying these other provisions so that the final legislative package presented to the Congress will meet the personnel needs of the separate services, both their active and Reserve components.

I want to again thank you for this opportunity to represent ROA's views. Your continued support of the men and women who are wearing and who have worn the uniform of this country both active and Reserve is deeply appreciated. I will certainly answer any questions that you will have.

[The prepared statement of Reserve Officers Association of the United States appears on p. 168.]

STATEMENT OF COMDR. JOHN F. WANAMAKER, DEPUTY DIRECTOR OF LEGISLATION, THE RETIRED OFFICERS ASSOCIATION

Commander **Wanamaker**. Mr. Chairman, members of the committee, I am Comdr. John Wanamaker, U.S. Navy, (Ret.), the deputy director of legislative affairs for the Retired Officers Association. My purpose today is to provide the committee with our Association's views on the various legislative initiatives being considered to make improvements in the Montgomery GI Bill.

This committee, and especially the members of this subcommittee, are to be commended for their earlier actions in this first session of the 100th Congress by the enactment of Public Law 100-48, which made permanent the Montgomery GI Bill.

Earlier this year, our president, Vice Adm. Thomas Kilcline, U.S. Navy, (Ret.), visited the various military organizations along with representatives of other military associations in a congressional delegation to see firsthand the reaction of our young recruits to this important educational incentive. My comments today are based upon his observations.

Based on those observations, our Association believes that certain actions could be taken to make an excellent program even better. H.R. 3180 and H.R. 3208 are two bills currently before this committee for consideration. They would modify the reduction-in-pay schedule for those who participate in the Montgomery GI Bill program.

First, we believe the $1,200 contribution by a servicemember toward his or her future education demonstrates a good-faith commitment, and this feature should be maintained. However, the first $100-per-month reduction in pay for some members is excessive. It is recommended that current law be changed to authorize a participant to spread out the $1,200 contribution payments over the length of his or her enlistment or length-of-service obligation.

Provision should also be made to provide the service secretaries the flexibility to authorize eligibility to those serving on active duty since the initial effective date of the Montgomery GI Bill and who originally elected not to participate, allow them to reconsider enrollment in that program.

This flexibility could be limited to the requirement that the individual have obligated service remaining of at least 2 years or that his or her election be accompanied with an agreement to extend his or her obligation to complete at least 2 years of service following such an election.

H.R. 3208 would further authorize a servicemember to transfer entitlement of the Montgomery GI Bill to dependents. Recently enacted legislation significantly reduces the lifetime value of military retired pay, and is expected to have a corresponding effect on retention. This reduction in retired pay will be especially severe for those who transition into civilian life at the completion of 20 years of military service.

This also is the point that the majority experience the burden of providing a college education for their children. It is our firm belief that a new incentive will be essential to offset the diminished value of military retired pay and to facilitate the adjustment to civilian life after a military career.

Therefore, our Association would support the transferability of the Montgomery GI Bill entitlement to a servicemember's dependents, but request that an additional restriction be opposed beyond that contained in H.R. 3208. We believe that a spouse should be married to the servicemember for a period of not less than 5 years coinciding with active-duty service.

We recommend this transferability be authorized only for those electing to serve a total of not less than 12 years, demonstrating their intention to make the military their professional career.

Mr. Chairman, any time a program such as the Veterans' Administration's educational assistance program is established, the expectations of those who provided service in order to receive those benefits should be faithfully honored. Subsequently making changing or changing the rules imposing delimiting dates or terminating programs making it impossible for an individual to benefit from a program in which he expected such benefits should be avoided.

I would like to bring to the committee's attention two situations where arbitrary changes to the VA educational assistance programs shattered the expectations of those few involved. As an example, servicemembers with as much as 20 or more years of service who are forced to retire prior to 30 June 1988 are only eligible for the provisions of chapter 34, the old GI bill, which expires December 31, 1989, the delimiting date for that program. This creates an inequity since servicemembers who are not forced to retire until after June 30, 1988, earn additional educational entitlements under the new Montgomery GI Bill. In fact, this delimiting date provides greater benefits for servicemen with as little as 3 years of service than some who have faithfully served their country for 30 or more years.

I have attached a four-page summary of this problem along with suggested solutions to this statement.

Another example of an abrupt change involves those who had committed themselves to military service along with the expectation of receiving chapter 34 VA educational assistance. This is particularly applicable to the 1977 and 1978 classes at the various military academies. In 1976 the Vietnam-era GI bill was prospectively repealed. This adversely affected those service academy cadets and midshipmen who had entered the armed services and had made 7-years' active-duty commitments prior to the 1976 repeal. In many cases, these commitments were based upon, among other considerations, the expectation of GI bill eligibility.

While it is quite clear from the legislative history that Congress did not intend to retroactively exclude any servicemember from the Vietnam GI bill, the 1976 repeal inadvertently failed to protect the interests of the academy cadets and midshipmen.

In the last Congress, the Veterans' Administration submitted legislation,with the support of this Administration to correct this inequity. However, for unknown reasons, no action was taken. According to the best available data, the cost of restoring eligibility to the two affected classes would be minimal.

Considering the gross inequities involved and the minimal costs, I would hope that the attached proposed amendment would be included as a rider to any legislation to make improvements to the Montgomery GI Bill.

This concludes my statement, and I will answer any questions.

[The prepared statement of Commander Wanamaker appears on p. 171.]

Mr. Dowdy. Thank you.

Mr. Friedrich?

STATEMENT OF ALBERT H. FRIEDRICH, PAST NATIONAL PRESIDENT, NAVY LEAGUE OF THE UNITED STATES

Mr. Friedrich. Mr. Chairman, members of the subcommittee, the Navy League of the United States has strongly supported the Montgomery GI Bill from its inception. We are pleased to appear before this committee to comment on the resolutions proposed to fine tune certain features of this outstanding legislation. As a member and past national president of the Navy League, I am here today representing more than 62,000 Americans dedicated to the support of a strong military which, in turn, depends on the availability and recruitment of our Nation's young men and women.

I should point out that unlike other military support organizations, no Navy League members is on active duty with any branch of the armed services and more than 50 percent of our members have never served in the Armed Forces. Navy Leaguers are ordinary citizens from all walks of life who are convinced that this Nation needs a strong and viable Navy, Marine Corps, Coast Guard, and Merchant Marine.

The Navy League is also dedicated to ensuring that the youth of our Nation are given every opportunity to serve their country and to continue their education.

Since the Montgomery GI Bill was enacted, it has impacted the recruiting, retention, and personnel quality of the Armed Forces in a very positive manner. Reports received by the Navy League indicate that this legislation has more than proved its worth during the short time that it has been the law of the land. As is the case with many resolutions, the final product is never perfect. We are here today to consider possible improvements to the Montgomery GI Bill.

In regard to H.R. 2950, the Navy League opposes including flight training as an approved educational program under the bill. In our opinion, neither the objectives nor the spirit of providing readjustment benefits would be met by including flight training under the Montgomery GI Bill.

H.R. 3180 is divided into three areas, which I would like to cover individually. This bill would extend to the recruit the opportunity to disenroll in the program at the end of the recruit's basic training. The Navy League opposes this provision. The Navy League and the Navy fully support the intent of the law of automatically enrolling a member unless an election to disenroll is made upon entry into active duty. The Navy is placing greater emphasis on having its recruits fully informed of the educational benefits prior to reporting for active duty, so that the burden of making this important decision in such a short time is removed and sufficient time is permitted for full consideration of the benefits to be received.

Section 2 of H.R. 3180 addresses the pay deduction issue. The recruit receives approximately $524 per month in basic pay, and the $100 monthly educational deduction, which represents nearly 20 percent of the recruit's monthly pay, is a very sizeable sum. The Navy League certainly supports reducing the monthly deductions. But we would prefer to see the payments formula changed to $60 per month for 20 months with no other options being offered, thereby simplifying the decision process.

The issue of transferability is addressed in section 3 of H.R. 3180. It would seem more reasonable to offer transferability earlier to the servicemember upon completing 10 years of active duty and remaining on active duty. This would serve as a retention tool to supplement the selective re-enlistment bonus already in existence.

Let me now move to some of the issues contained within H.R. 3208. The Navy League's position on allowing the recruit to have the required $1,200 payment extended over a greater period of time has been presented. Section 3 of H.R. 3208 proposes to allow the recruit 60 days to decide on enrollment or disenrollment. This same issue has been addressed in relation to H.R. 3180, which we have opposed, and instead support the automatic enrollment as contained in the law.

Section 3 of H.R. 3208, which provides for a one-time 60-day window to enroll those servicemembers who disenrolled previously, the Navy League supports this second-chance provision. The issue of transferability in H.R. 3208 is addressed in the portion of my statement related to H.R. 3180. The final portion of H.R. 3208, section 5, would provide a compensation payment in the event of an eligible serviceman's death or disability. The Navy League supports including the language of section 5 in whatever legislation emerges from this subcommittee.

Thank you, Mr. Chairman, for giving me the opportunity to testify before this subcommittee on behalf of the Navy League of the United States.

[The prepared statement of Mr. Friedrich appears on p. 185.]

Mr. DOWDY. We thank all of you for your testimony.

Mr. MONTGOMERY. Mr. Chairman, I will be brief.

Mr. Chairman, I would also like to thank our panelists for being here today and testifying through their lunch hour. They did have to wait around. But the information they have given us certainly will be helpful.

Most of you at that table are very familiar with this educational benefit, and you helped us pass it. I think the Navy League, we are glad to see you testifying and doing research on these issues. I am sure you have been here before, but we especially want to welcome you to this other group that I personally know and to say to the Navy League that we are glad that you are involved.

I don't have any questions, Mr. Chairman, but I do want to thank these distinguished Americans for coming up here today and taking their time to give us their ideas.

Mr. DOWDY. Thank you.

Mr. Smith?

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

I want to associate myself with the remarks of the chairman, and we do thank you for your very fine comments and for the kind of input that it will provide us when we are crafting this legislation. I do have two very brief questions.

Commander Wanamaker, you point out on page 5, and you said it in your oral comments, that you believe that a spouse should be married to a servicemember for a period not less than 5 years coinciding with active duty. What is the rationale behind that?

Commander WANAMAKER. I think to avoid a woman marrying—let's just say a person; It could be either way around—marrying a servicemember just in order to be eligible for the benefits, that person should have some kind of a commitment along with the member's service, and they should be coinciding. I just don't think a person outside of the service should marry a person just for the GI benefits without any obligation at all. I feel that coinciding years of marriage would be appropriate.

Mr. SMITH of New Jersey. Mr. Friedrich, you point out the 10 years of active duty in order to transfer the benefit and then remaining on active duty, I'm not sure if the serviceman were to terminate his service, would the benefit also be terminated? Must they remain on active duty?

Mr. FRIEDRICH. They must remain on active duty.

Mr. SMITH of New Jersey. To transfer the benefit? So if they did terminate their service, they would then lose the benefit?

Mr. FRIEDRICH. Yes, they must stay in the service; and it would help the retention program.

Mr. SMITH of New Jersey. What I am suggesting, though, is that unlike the 20 years, which is a given, if they attain the transferability that kicks in, the suggestion from your organization is that at 10 years it kicks in provided that they stay on active duty, but if they go off active duty they are no longer eligible and the benefit terminates. Is that correct?

Mr. **FRIEDRICH**. If they stay in service, then that money becomes available to them and they can make use of it without having to wait until they get out of service as a 20-year veteran. The benefit does not terminate.

Mr. **SMITH** of New Jersey. Okay. I am just trying to clarify so I know exactly what the suggestion is. Thank you.

Mr. **MONTGOMERY**. General Weber, this would probably be a better question for the chiefs. But do you know if the GI bill is working as a retention factor on re-enlistment in the National Guard.

General **WEBER**. There is no question that the reports we get indicate that it has enhanced re-enlistment significantly, up above the 60 percent level.

Mr. **MONTGOMERY**. It has improved enlistments. There was some concern that in some cases the GI bill might force people out of the service. But I would think in the National Guard and Reserve it could be a retention factor. But the figures you have, it is increasing the re-enlistments?

General **WEBER**. Very definitely, Mr. Chairman.

Mr. **MONTGOMERY**. Thank you.

Mr. **DOWDY**. Let me ask one question, and any of you may want to comment. We have heard some comments today expressed about extending the period during which a servicemember makes the decision regarding his or her participation in the Montgomery GI Bill, extending the period of time after he or she arrives at basic training. Some think that by doing that we would be making it an opt-out program: rather than an opt-in program.

In my opinion, rather than extending the amount of time a young person has after he or she arrives at basic training, another 2 or 3 weeks or whatever, that we would be better served by putting more emphasis on the time before he or she joins. We need to ensure that recruiters are giving the young people they meet, as well as their parents and their spouses, all the information about the program so that basically this decision is made prior to arrival at basic training. Any of you want to comment on this proposed change?

Chief **OBERMILLER**. Mr. Chairman, yes, I would like to make a comment on that. I think that ideally that decision is best made prior to going to basic training. I am not sure there is any insurance that that would happen. Based on that concern, I think, because of what the recruits have told us about the stress involved in basic training, that the first 2 or 3 or first week of training is no time to make that important decision. If it can't be done ahead of time, I would say we need that 30 days in order to make a good, solid deliberation and a choice.

General **WEBER**. Mr. Chairman, we feel, for the Army and the Air National Guard, that this choice is a part or a condition of enlistment, that the recruiters are the folks that have all the answers that have been discussed here this morning. They have been specially trained to do that, and that decision should be made concurrently with the commitment to enlist.

Colonel **Rodenberg**. Mr. Chairman, I of course was on that trip last spring, as many of you were, and heard the concerns expressed by the young people. I would have to say that ROA has a concern that if the decision period for remaining in the program is extended—after all, we're trying to keep or get as many people to remain in the program as possible—if you extend it past that first pay period, a lot of them, having that pay, are going to have a hard time giving it up.

I had some problems, certainly, with their making a decision after only 1 and 2 and perhaps 3 days being there, a traumatic experience in itself. A decision still has to be made, and I don't care whether they have all the information or not, that's asking a lot of them. But when you go much beyond the 14 days, they get that first paycheck and it's going to be a lot tougher.

Commander **Wanamaker**. I would like to make a little comment. I don't think that the decision process as it currently is now is correct. In the first place, the guy is already committed. When he is in boot camp, he's already committed, and you've got him for 2 years anyway.

So the emphasis on the selling of the program first, the promises made by the recruiter, is fine. That should be done. And then he should be able to make the education election decision anytime as long as he provides that service. If he wants to make it the last day of his career, fine. If he wants to make it 2 years from then, or, if he wants to extend for 2 additional years for additional service and make that decision, fine too. I would say we have a better guy reenlisting at the end of his second year for 2 additional years and making that decision than it would be to do it the first day he comes into the military or into boot camp.

Mr. **Dowdy**. I thank all of you very much for participating this morning, and we will stay in touch with you as we move next year for any revisions.

Mr. **Dowdy**. Our final panel today includes representatives of various veterans organizations. We want to thank them for their patience. We have Lt. Col. David Passamaneck, and the colonel is representing AMVETS; Mr. Frank DeGeorge, representing the Paralyzed Veterans of America; and Mr. James Magill testifying on behalf of the Veterans of Foreign Wars.

We are happy to have all of you here with us today. If you would proceed, Colonel, and then follow in the order in which I have introduced you.

STATEMENT OF LT. COL. DAVID J. PASSAMANECK, USA (RET.), NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Colonel **Passamaneck**. Thank you very much, Mr. Chairman.

AMVETS is pleased to have this opportunity to appear at this review of the Montgomery GI Bill and comment on the suggested legislation, H.R. 2950, H.R. 3208, and H.R. 3180. AMVETS was the only major veterans organization—and I will probably get an argument about this, but we can handle that some other way; maybe Frank will give me an argument—but we think we were the only major veterans organization to unequivocally support this program in its original form as H.R. 1400, the 98th Congress, which was enacted into law as Title VII, Public Law 98-525.

We recognized from the beginning that this program would have a tremendously beneficial effect on both recruitment for the Armed Forces and restoration of veterans to civilian life. We specifically did not object to the VA funding the bulk of the costs of the program even though it is also a recruiting incentive, at least in its initial impact.

By the way, I might add that there was a little bit of objection at that time from some of our sister organizations regarding this funding.

The program has proven itself to be one of the most successful enacted in the post-Vietnam era. As the only major veterans organization whose ranks are open to post-Vietnam veterans generally, we in AMVETS take special pleasure in commending this historic contribution made possible by the persistent leadership of Chairman Montgomery.

AMVETS is pleased to support the extension of educational assistance to flight training in courses accredited by the FAA—and I might add, to those veterans already having private pilots licenses—and applicable State authorities as provided by H.R. 2950, introduced by you, Mr. Chairman.

Both H.R. 3180, introduced by Mr. Smith of New Jersey, who I am pleased to see is here with us, and H.R. 3208, introduced by Mr. Jontz, propose to amend the Montgomery GI Bill so as to more equitably apply the benefits provided by the program and remove existing requirements for participation in the program, which in many cases have proved to be disincentives.

AMVETS supports the provisions generally of both H.R. 3208 and H.R. 3180 for transfer of the educational entitlement or right of survivorship for the member's children or spouse for the purpose of participation in the program. We believe that H.R. 3208 is a little bit more comprehensive and is therefore perhaps a little bit more preferable to H.R. 3180. However, we do not subscribe to the transformation of such survivorship into what amounts to a supplemental life insurance program as provided in H.R. 3208. As we stated to this subcommittee on August 6, 1987, and I will quote, "The guidelines set forth in chapter 35 of Title 38, United States Code, particularly in section 1701, should provide comparable criteria for entitlement to recovery of a member's contribution to the Montgomery GI Bill program. We specifically support use of the funds thus made available to the survivors of 100 percent service-connected disabled veterans and those missing in action or held prisoner in accordance with section 1701 of Title 38, United States Code."

Paying the unredeemed contribution to the Montgomery GI Bill program to parents of a deceased member would appear to be beyond the intended scope of the program.

In addition to the eligibility criteria set forth in chapter 35 of Title 38, United States Code, we would favor payment of a veteran's unredeemed contribution to the Montgomery GI Bill program to survivors for educational purposes if the veteran dies during the period of eligibility.

We are pleased that both H.R. 3208 and H.R. 3180 appear to be consistent with that testimony. Consequently, with the exception of refund of the member's contribution in the event of his incapacity to take advantage of the program as provided in H.R. 3208, AMVETS would not favor any payments to survivors for other than educational purposes or to the parents in any event. Thank you very much.

[The prepared statement of Colonel Passamaneck appears on p. 188.]

STATEMENT OF FRANK R. DE GEORGE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. DeGeorge. Thank you, Mr. Chairman.

At the onset, PVA would like to express its sincerest congratulations to you, this subcommittee, and especially to the chairman of the full committee and author of this new education program, the Honorable G. V. Sonny Montgomery for the successful passage and enactment of the GI bill.

The President's signature of the law marked the culmination of over 8 years of dedication and hard work on your part to convince the Congress and the Administration of what we believe was self-evident.

We also believe it is difficult at this time to adequately grade the implementation of the program based on only 4 months of full operation. Predecessor to the Montgomery GI Bill, the New GI Bill, enacted in 1985, as this subcommittee well knows, was only a temporary or pilot program. As such, utilizing cumulative participation rates as indicators of the quality of the implementation of the program from 1985 to the present might be somewhat clouded by the fact that the New GI Bill, as any new program, had to undergo the stresses and strains of startup and certain reluctance in implementation on the part of the service branches due to the perceived temporary nature of the program.

There is evidence that the GI bill in its present form is working by the fact, as we understand, of the 75 percent rate of increase in enlistments over a 61 percent rate during the period 1985 to 1987.

At this time, Mr. Chairman, I would say that PVA has reservations, has recommendations, is in opposition and is supportive of various elements of the pieces of legislation that are being presented here today. In the interest of time, I would ask your indulgence as I refer you to our testimony and therefore submit our written statement for the record. In the meantime, we want to thank you for all of your efforts and especially to the authors of the legislation that is being presented, for your continued interest and concern, whether or not we agree or disagree. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. DeGeorge appears on p. 192.]

STATEMENT OF JAMES N. MAGILL, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MAGILL. Thank you, sir, for the privilege of appearing before your subcommittee to present the views of the Veterans of Foreign Wars.

In previous testimony before this subcommittee, the VFW has stated that this program is dollar for a dollar the most cost-effective means of recruitment now in existence. We are also convinced the program is across the board the best educational incentive the Department of Defense has to offer. Furthermore, this educational benefit program is paying for itself by improving the recruiting quality and reducing turnover in personnel.

Earlier this year the VFW joined a group and went to, I believe it was, four basic training camps to discuss the educational program with the recruits there. One of the things that we were told repeatedly was that those who had elected not to participate in the education program, had they been given more time to make a decision, would have wanted to take part in it.

While both bills before us today, H.R. 3180 and H.R. 3208, provide for extension time, we believe that H.R. 3208 provides for a more flexible time period and at the same time would still allow that recruit, when he comes in, he can opt to participate at that point instead of having to wait. He then can get into the program right off the bat. So we do support extension of the time to come up with a decision.

It also became apparent to us that the contribution schedule of $100 a month for 12 months was high. The recruits wanted a lower fee over a longer period. Again, both the bills call for extension of that payment schedule with a lower rate. Either one would be acceptable to us. So we would leave it up to the wisdom of the Congress or the branches, whichever one they feel would benefit them the most.

Also, both bills provide for a transfer of entitlement to dependents. The VFW has historically opposed a transferability provision because we view education as a readjustment program, and we are also concerned that this would reduce the pool of eligibles down the road. If an individual goes in now and can transfer that benefit to another, say to a child, then that would not be an incentive for that child to come into the military at a later date. However, in light of the fact that the Montgomery GI Bill is a contributory program and is also a proven retention tool for the military, we will not oppose the transfer.

Finally, H.R. 2950, introduced by you, would amend the Montgomery GI Bill so as to allow flight training. As you know, flight training was at one time available to Vietnam veterans who enrolled in the Vietnam-era GI bill but was eliminated as a course of study.

Inasmuch as the Vietnam-era GI bill is still a current program, the VFW does not believe it would be proper to authorize a particular program to peacetime veterans while at the same time denying it to a wartime veteran. For this reason the VFW at this time cannot support H.R. 2950.

This concludes my statement, and I will be happy to respond to questions.

[The prepared statement of Mr. Magill appears on p. 199.]

Mr. DOWDY. I thank each of you very much.

Mr. Chairman?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

I want to publicly thank the veterans organizations that are here today for, back several years ago, of coming in and supporting the GI bill. With your support we were able to move ahead with this legislation, and if you would have thrown up doubts or stumbling blocks, I believe, Mr. Chairman, we would have had many more problems than we had with this educational benefit.

I want to thank you today for your testimony, for your pros and cons that you have mentioned and what you do support and what you don't support in the different pieces of legislation introduced, which we need to know.

Dave, you mentioned about some veterans organizations, not the AMVETS, could have been concerned about the cost of this program when it was implemented. But we still believe—and I as the chairman of the committee, and I am sure that I can speak for Wayne and Chris—that this is a readjustment program in the long run. What it is going to help that we never really get around to is these young Americans are going to be much better citizens, they're going to make more money, they're going to pay more taxes, and they're going to move this country forward so that we can be a democracy for another 100 years because we have the brains, the know-how of these young men and women that are coming along.

So I feel very strongly that it is still a readjustment program and the Veterans Administration will pay part of the cost. It seems right now, Mr. Chairman, that the $100 a month has created quite a bit of funding and it's going to be 3 or 4 years before this legislation will really be a cost to the taxpayers.

So we are on pretty firm ground as far as finances are concerned, and in this budget resolution it was not considered for fiscal year 1988 as a cost factor because of the money coming in, and I think the same thing will prevail probably into 1989 because this $100 a month is mounting up and there is money that is in the general fund that came from this legislation.

So we've got to have the veterans organizations onboard on this legislation. You are on board, and thank you for being here and making this testimony.

Mr. DOWDY. Thank you very much, Mr. Chairman.

Mr. Smith?

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

I want to thank the three gentlemen for their presentations. I note, Mr. DeGeorge, that you come out in the presentation as being against compensation payments, or at least having real reservations there. I think you raise some very interesting points that need to be considered by the committee as to how disabled is disabled before that benefit is transferred. Perhaps you would want to speak to that.

Mr. DEGEORGE. We are not opposed to the compensation. In fact, we're in favor of the compensation payment, Mr. Smith. But we are concerned about how those compensation payments will be determined based on disability, and we alert you to our point of view in that area because this committee and the full committee have provided programs to help rehabilitate disabled veterans that at one time were not available, that we again point to that area where a person can become involved and not placed on the disability roll where he could not be supported or she could not be supported.

We are able to overcome those kinds of areas of concern. So spinal cord injury itself is a very catastrophic disability. We would not want the Veterans' Administration to consider spinal cord injury as providing authority for making compensation payment. And that's where we allude to comatose as being an area where they could relate to making payment. In that case the payment would go, as we pointed out, to the legal guardian. Therefore, we would be able to support that area of concern.

Mr. **Smith** of New Jersey. The PVA would be looking for a strict interpretation of disability?

Mr. **DeGeorge**. I think that is true, and we would alert you also to this also because of the possibility of certain abuses are overlooked or not the proper considerations being provided for payment.

Mr. **Smith** of New Jersey. On the issue of transferability, the VFW and PVA, although the VFW indicates that you will not oppose it, you do make an interesting point and raise an interesting objection regarding the reduction in the pool of eligibles for future military service. I think the committee does have to look at that very carefully.

Perhaps the flip side of that is that those children who have benefited may, if they are a thinking family, want that benefit also to accrue to their children. But it does raise an interesting point that will be looked at by the committee. Perhaps you would want to comment.

Colonel **Passamaneck**. If I may, Mr. Smith?

Mr. **Smith** of New Jersey. Yes.

Colonel **Passamaneck**. We had considered that situation or that circumstance, and we sort of took the pessimist's point of view. We would like to believe that the children, let's say, of a veteran who obtained their education by means of this eligibility might feel that it would give them pleasure or pride by returning that favor that they had received by perhaps participating in military service on their own without the incentive of necessarily getting more education benefits.

In other words, we think this might set a very healthy example for the children of service people and they may say, "Hey, well, I got all my education through these people, now maybe they need some officers or whatever they need, and I'm going to join up." I mean, we hope that it will have that effect.

Mr. **Smith** of New Jersey. Mr. DeGeorge?

Mr. **DeGeorge**. Mr. Smith, regarding transferability, PVA is totally opposed to this premise. As Chairman Montgomery pointed out earlier, the GI bill is a readjustment benefit to the veteran and the people serving in the military, and we wish that it would be considered as such in total so that we don't have the GI bill breaking down and not being provided as intended.

As we pointed out in our testimony, our written statement, there are other social and economic approaches and social benefits and programs for families to pursue for their young ones to pursue their own education.

It's not in our statement, so I will make a personal observation. I don't hold my organization to it. But I wonder what happens with the work ethic of the individual young person finding their own way to find their own education. While we can support them through the GI bill and other programs, there is a certain amount of concern that the young person pursue their own initiative.

Mr. MONTGOMERY. Would the chairman yield?

Mr. DOWDY. Surely.

Mr. MONTGOMERY. You have to be careful what you say around here. These witnesses listen.

[Laughter.]

Mr. MONTGOMERY. I agree, and that's what I said: it's a readjustment program.

But also in the original bill that had the transferability clause in it, Mr. Chairman, we had in the bill where if the military implemented it and it would be optional to the military if they wanted to implement transferability. They also would have to pay it and it would have to come out of the Defense Department funding. So we were watching that, that the Veterans' Administration itself mainly would fund what we thought was readjustment, and the extra benefits such as the kickers that are now in this bill, that has to be paid by the military.

Mr. DEGEORGE. I would appreciate what you're saying, sir, but I will have to go back to our organization's original premise of readjustment benefits. That is our major concern. And we do have a concern of how, if it were implemented, how it would be funded, whether it be DOD or the VA. That becomes another major concern.

Mr. DOWDY. One final comment. We've talked about refunds of the basic pay reduction, that it should be made available—some have said that—under the Montgomery GI Bill. I personally feel that a cash payment should be made only in the event of a death of a participant. We have already conducted some hearings before this subcommittee. We plan to start doing something next year to cover events such as that which occurred on the *U.S.S. Stark* this summer or under very narrow circumstances along the lines of that which the PVA has set forth in your written testimony.

We want to thank all of you for appearing before us this morning. Thank you for your patience, coming at the end as you did. Thank you very much.

Mr. DOWDY. There being no further witnesses, we stand adjourned until tomorrow morning at 9:30.

[Whereupon, at 1:40 p.m., the subcommittee was adjourned, to reconvene at 9:30 a.m., on Thursday, October 15, 1987.]

THE MONTGOMERY GI BILL

Thursday, October 15, 1987

U.S. House of Representatives,
Subcommittee on Education, Training
and Employment,
Committee on Veterans' Affairs,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:35 a.m., in room 334, Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Montgomery, Dowdy, Jontz, Evans, and Smith of New Jersey.

OPENING STATEMENT OF HON. WAYNE DOWDY, CHAIRMAN, SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

Mr. Dowdy. The Subcommittee on Education, Training and Employment will come to order.

I want to welcome all of you to the second day of hearings regarding the implementation and the effectiveness of the Montgomery GI Bill. We are focusing on three bills, H.R. 2950, H.R. 3180 and H.R. 3208.

The first of them would authorize those individuals with eligibility under the Montgomery GI Bill to pursue flight training under certain restrictions.

Mr. Chris Smith of New Jersey, the ranking minority member of the subcommittee, has introduced H.R. 3180 in August, and H.R. 3208 was introduced on August 7 by another outstanding member of our subcommittee, Jim Jontz of Indiana. Both of these bills would amend chapter 30 of Title 38, United States Code.

In the letter of invitation I requested comments on these three bills. I also invited witnesses to discuss additional amendments, if any, which they think would improve the effectiveness of the Montgomery GI Bill. As I mentioned yesterday, it is my personal view, based on visits we have made to service training bases, that the Montgomery GI Bill is working, and working very well. Accordingly, we should give a lot of deliberate thought to any significant changes we may want to make in this program. Nevertheless, this is a good opportunity to begin discussions and reviewing the proposals before us.

We will be hearing from many witnesses today, and we will request that all witnesses abide by the 5-minute rule. Most of you are aware of it, but when the red light on the table is lighted, that signifies that the 5 minutes are up.

Written questions may be submitted to our witnesses following the hearings. And without objection, the questions and written responses will be included in the hearing record.

Also, the hearing record will remain open for 10 days for additional statements and information.

Before we call on our first witness, I would like to recognize the chairman of the full committee, my distinguished colleague from Mississippi and my good friend, the author of the excellent program we are reviewing today, the Honorable G.V. (Sonny) Montgomery. Mr. Chairman?

OPENING STATEMENT OF HON. G. V. (SONNY) MONTGOMERY, CHAIRMAN, FULL COMMITTEE ON VETERANS' AFFAIRS

Mr. MONTGOMERY. Thank you, Mr. Chairman.

I thought we had excellent hearings yesterday, a lot of interest in the GI bill, and a lot of suggestions of changes. But it was afterall, Mr. Chairman, to improve the bill. Everyone seemed to be very satisfied with the way the implementation has gone. And as I said yesterday, and it applies today, there are a number of people in this room who will testify who were great supporters of the GI bill to make it permanent legislation. And I want to go on the record and thank you, those that will testify today, that gave us their support and made it possible that we are where we are looking at improvements of the GI bill.

And we have the Veterans' Administration that administers it working with the military. And I think Mr. Vogel will say, Mr. Chairman, that he has terrific cooperation from the Defense Department. You know, you pass these bills, and then sometimes it is hard to put them in effect and get to the people that you want to help. But it seems to be that the VA and the Defense Department are working very well in setting up and seeing that those people who request to come under the GI bill, including the Reserve Forces are able to do so.

As I said yesterday, I think we ought to go slow, Mr. Chairman, before we make any major changes, to give this legislation a chance to settle down a little more and be sure we are doing the right thing. And thank you for this opportunity.

Mr. DOWDY. Thank you very much, Mr. Chairman. The ranking minority member, my friend Chris Smith of New Jersey.

Mr. SMITH of New Jersey. I would say in the opening, this is day two of what has turned out to be a very good hearing. A lot of incisive testimony has been provided to the committee. And I look forward to our witnesses who will be addressing us in a moment.

Thank you, Mr. Chairman.

Mr. DOWDY. Also, the author of H.R. 3208, our friend Jim Jontz from Indiana.

Mr. JONTZ. Thank you, Mr. Chairman. Again, my appreciation for your willingness to conduct this very thorough hearing. And I want to associate myself with the remarks of our full committee chairman, Chairman Montgomery, and his approach to this issue, and thank the witnesses in advance for their good testimony.

Mr. DOWDY. All right. Our first witness this morning will be Mr. R. J. Vogel who is Chief Benefits Director of the Veterans' Administration. Mr. Vogel is accompanied by Dr. Dennis Wyant, Director of the Vocational Rehabilitation and Education Service and Mr. James Kane, Assistant General Counsel.

It is a pleasure to see all of you this morning. Mr. Vogel, we would like for you to proceed.

STATEMENT OF R. J. VOGEL, CHIEF BENEFITS DIRECTOR, VETERANS ADMINISTRATION; ACCOMPANIED BY: DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICE; AND JAMES P. KANE, ASSISTANT GENERAL COUNSEL

Mr. VOGEL. Thank you very much, Mr. Chairman.

I would like to read a brief summary statement and ask that my full statement be placed in the record.

Mr. DOWDY. Without objection.

Mr. VOGEL. I appreciate the opportunity to provide information on the implementation of the Montgomery GI Bill and to comment on three pending bills.

In the active duty program, 468 individuals have received training through October 6, 1987. The DOD-wide participation rate for the program through August was 61 percent. Among the individual services, the Army had the highest participation rate, 78.6 percent. We are anticipating 19,400 trainees in fiscal year 1988 leading up to 242,000 trainees in fiscal year 1993 with the program continuing to grow into the future.

Under the Reserve program, chapter 106, close to 66,000 reservists received training through the end of September. The Army National Guard had the largest number, 27,036. We are projecting 147,000 for fiscal year 1988 with 226,400 trainees projected for 1990.

Chapter 30 claims processing is centralized in our St. Louis Regional Office. It is currently using an interim computer system until the TARGET system is available. Installation of TARGET has taken longer than we anticipated due to chapter 30's complexity.

Along with centralization, we are going to test an optical disk system starting in about 2 months. This test will help us determine the feasibility of an automated filing system as opposed to our current paper claims folder system.

Chapter 106 claims are handled by all VA regional offices. Currently they are using an interim system on TARGET for authorizing benefit payments. A weekly data exchange with the Department of Defense identifies individuals no longer eligible for benefits and those who again become eligible.

We have had excellent cooperation from the Department of Defense with respect to the military service departments. It is truly what we consider a very successful effort caused by large measure by the dedication of the individuals involved in the program.

I would now like to turn to three pending bills. H.R. 2950 would amend the Montgomery GI Bill to permit flight training. We are opposed to this bill based upon our experience with flight training under the regular chapter 34 program. Under that program we found that flight training served goals that were more recreational and avocational than employment oriented.

H.R. 3180 is the next bill. As to the pay reduction provisions, we prefer $100 a month reduction for 12 months. We favor lengthening the time for recruits' election not to participate in a program but we defer to DOD on the transferability issue.

H.R. 3208 is the final bill. We don't favor allowing servicemembers to decide how much their deduction will be. As with the other bill, we defer to DOD on transferability.

Finally, we think the compensation in lieu of education benefit provision portion of this bill is a little too loosely worded, but we would support it with DOD's modifications.

Mr. Chairman, that concludes my testimony. I'd be pleased to respond to any questions you or members of the subcommittee may have.

[The prepared statement of Mr. Vogel appears on p. 216.]

Mr. Dowdy. Thank you very much, Mr. Vogel.

Initially we were told that there were some problems with the implementation of chapter 106, the Guard and Reserve component. Have these problems been as great as they were anticipated to be? Have any difficulties been taken care of?

Mr. Vogel. We believe we are on the road to resolution. Just the sheer number of Reserve units reporting data and the number of trainees causes a little bit of difficulty with determining eligibility. But the Department of Defense has a Defense Manpower Data Center in California, and we now receive on a weekly basis a computer linked update on eligibles. What could be a thorny problem is on its way to resolution. We have very few cases, comparatively, that still need resolution as to eligibility. We think the implementation has been successful.

Mr. Dowdy. One final question regarding your comments on flight training: Two years ago the Aircraft Owners and Pilots Association testified before this subcommittee. At this hearing the witness said the following in his statement. "The United States desperately needs to train commercially qualified pilots to fill a growing demand for professional pilot services. Student pilot starts have dropped 30 percent. Commercial pilot certificates issued have dropped 58 percent. This makes it doubtful that we will attain our goal for required professional pilots by the year 1995." That was a statement of the Aircraft Owners and Pilots Association.

In view of this statement, I have two questions: Don't you think that flight training would be a more useful benefit than it was 10 years ago? Has not the situation changed in light of this information from that which existed 10 years ago?

And then secondly, would you make any suggestions as to how this type of training could be made available under the program so that it is restricted narrowly to the training of commercial pilots and would not be available as a hobby or an avocation as you have stated in your testimony?

Mr. Vogel. Our experience with the flight training in the chapter 34 GI bill was that it was avocational and a hobby pursuit more than anything else. The General Accounting Office did a study some 8 years ago which said that only about 16 percent of those who ever trained in the commercial pilot training programs under the GI bill were employed in the field of aviation. About $490.8 million was paid, and only about 2 percent of all who trained were in-flight trainees. About $490.8 million for 2 percent of the trainees with about a 16 percent employment.

The occupational outlook for pilots in the future shows some significant job opportunities but not in large numbers. I am not sure what the prospect is for the future on that, whether or not we will indeed have a shortage.

In administering flight training under chapter 34, the only courses, of course, that could be approved were those which were commercial in nature. You couldn't get a private pilot's license, clearly. You had to have a second class medical certificate to pursue courses from commercial pilot through multi-engine and flight instructor and those programs.

So, anybody pursuing commercial flight training was obligated to identify that as a vocational goal. How to get a claimant to indicate whether he or she actually intended to use the training for commercial purposes when the only goals approved were commercial would seem to be a redundancy. As with training in a lot of other fields, accounting or agriculture and other programs under the GI bill, students train with the prospect of employment in those fields. And that I think would probably be true for the flight training as well.

Our experience has been that a lot of money was expended and with comparatively little success in obtaining flight related employment.

Mr. DOWDY. Mr. Chairman?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Mr. Vogel, thank you for being here today and for your cooperation on implementing this new legislation that comes through your department. I also want to congratulate Dr. Dennis Wyant for the work he has done. As I understand it, this is his department and he has the responsibility at the Veterans' Administration to work with the military department to see that these persons are enrolled in the GI bill—and Mr. Kane, as the Assistant General Counsel, for your cooperation.

Dennis, what are some of the problems that you are seeing now? And maybe you might want to comment on the cooperation which I mentioned earlier from the Defense Department.

Dr. WYANT. Thank you, Mr. Chairman.

Basically the problems that we have had in the past had been with the 106 program when the program was new. The most significant problem that we saw was that reservists were being signed up without a full 6-year contract. Now that that is behind us, that's out.

The other thing——

Mr. MONTGOMERY. Explain the 106.

Dr. WYANT. I'm sorry, the chapter 106 reservists program. As you know, a reservist had to have a full 6-year contract to get into the program. And, many who were on Reserve status were signed up and getting a NOBE, a Notice of Basic Eligibility when they really weren't eligible at that point. So, it has taken some time to separate those out from the ones who did meet the criteria for the program.

Another thing that we are thinking now that is really helping us is that if the Notice of Basic Eligibility is up to 120 days old, we are accepting it at face value. It doesn't have to be registered with the DMDC in California—we go ahead and process the person. That had been held up some in the past and creating some overpayment issues.

Mr. MONTGOMERY. Let me make a point there. By law—well, I'm not going to say by law.

Are you saying that if they complete their basic training after 3 months—the reservists—that you are implementing their applications and not waiting on the 180 days?

Dr. WYANT. No, sir. This would be after they met the criteria for the 180 days.

Mr. MONTGOMERY. Well, that was one of the suggestions yesterday that that 180 days be shortened because some are finishing after 3 months and they have to wait for another 3 months in the Reserves before their application will be processed by you.

Would you have any problems if we move that date back?

Dr. WYANT. The VA does not have a position on that. We would defer to the Defense Department on that and would administer in whichever way you, as the Committee and the Defense Department, see fit on that. We have no problem with that.

Mr. MONTGOMERY. Go ahead. I didn't mean to interrupt you.

Dr. WYANT. Well, that was basically the main issue. And now that we do have have this nationwide TARGET system within all of our regional offices, we can pull up from the DMDC a personnel screen and actually check on the eligibility of each of these reservists which will really, I think, shortcut some of the issues and get service to the reservists faster than in the past. That has been the main issue. And as you heard Mr. Vogel say, there have been a lot people working very hard on this issue over the last year or so.

Mr. MONTGOMERY. Well, Mr. Vogel made the statement to me earlier that this is probably the best cooperation that they have had in his dealings with the military, between the military and the VA on making this GI bill work. Is that correct, Mr. Vogel?

Mr. VOGEL. Absolutely, Mr. Chairman. I think any time you start a new program, the general belief is that if the Government's got their hand in it, it's going to take a long time for them to work out the kinks. The time to work out the kinks has been short because of the truly cooperative spirit between both the VA and the Department of Defense and, really, with the respective military departments. We think it has worked out very well. I haven't experienced that kind of cooperation in the past in dealing with other Federal agencies.

Mr. MONTGOMERY. I know under the Veterans' Employment Act working with the Labor Department you have had some problems. It took a year to get that going, didn't it?

Mr. VOGEL. It certainly did, sir. It took a long time to get it going and working well. We haven't had that experience in administering the Montgomery GI Bill.

Mr. MONTGOMERY. My other question one of you could maybe answer regards the money that comes in. I think you—or it doesn't come in, but you keep up with the $100 a month. How much has come in from the Active Forces now? Dr. Wyant? Mr. Vogel?

Dr. WYANT. I knew that earlier today. I think that was 140—I don't know. I'll have to provide that for you for the record.

[Subsequently the Veterans' Administration provided the following information:]

$313,019,829 was received from participants under the Montgomery GI Bill-Active Duty participants during the period July 1985 through August 1987.

Mr. **Montgomery**. Well, we want to be sure. You know, when you figure these budgets up here, if you are not careful, they won't give us credit for it. And we were fortunate that when they had the budget procedure for fiscal year 1988 that this was not a minus and it would not have to be figured as taking money out of the Treasury. And our set-aside—enough money was coming in from this $100 a month, as far as the basic benefits were concerned. And somewhere down the line I want to take that money, even though you don't get your hands on it, and take credit for 8 percent interest because it's money that the Government does not pay out. These monies are these young men and women's pay. And we want to be sure that that shows up in the proper manner, Mr. Chairman, that it's just not fluffed over.

Did you find the figures?

Mr. **Vogel**. The only figure I have in front of me, Mr. Chairman, is the amount that we paid to date to the trainees. We paid out $140,119 as of October 13, 1987.

Mr. **Montgomery**. It's $140 million.

Mr. **Vogel**. I'm sorry.

Mr. **Montgomery**. It's $140,000. Is that all?

Mr. **Vogel**. That's under chapter 30. We only have about 475 in training as of October 13, 1987.

Mr. **Dowdy**. Dr. Wyant, if you could make that figure available that the chairman has requested so that we could include it in the record.

And I want to echo what the chairman said about the cooperative spirit that the three witnesses have given this subcommittee, especially Dr. Wyant. We have had a number of times to work with him. And we find that he does a very good job.

Mr. Smith?

Mr. **Smith** of New Jersey. Thank you, Mr. Chairman. And gentlemen, welcome to the committee.

In yesterday's panel of program managers, there was a clear consensus that the per month deduction—perhaps $60 over a 20-month period was preferable over the current system. I know publicly in this testimony you are suggesting that that is something for DOD to decide. But Mr. Vogel, I was wondering in your own personal judgment, do you believe it would be a good idea? It seems to be a very simple change that could be made. It would put less of a burden on the service person.

Mr. **Vogel**. We could administer the program in whatever way is decided upon. It's essentially the Department of Defense which would be getting the money from a deduction from military pay. We would just be on the receiving and the payout end on it.

I can appreciate that $100 a month may be a little bit more than an E–1 or E–2 can pay out comfortably and that something less may be appropriate. The program would still wind up with a $1,200 within 20 months and the serviceperson would be eligible to participate in the program.

Mr. SMITH of New Jersey. You note on page 9 that the VA could support a death benefit, but the language in H.R. 3208 is too loosely worded, and you support the provisions of the DOD recommendations, the modifications that they have suggested. What are those modifications, Dr. Wyant?

Dr. WYANT. Under the death benefit, that we would see it only going to the spouse or to the dependents or to the parents. And that the payment would only be the unused portion of the participant's pay reduction.

Mr. VOGEL. And an injury not caused by misconduct or death not caused by misconduct.

Mr. SMITH of New Jersey. Thank you very much.

Mr. DOWDY. Mr. Jontz?

Mr. JONTZ. Thank you, Mr. Chairman.

I want to thank you, Mr. Vogel, for your good testimony and recommendations and suggestions.

I do have one question. My understanding is that one of the purposes of the GI bill program is, indeed, to help the Defense Department in meeting their recruiting goals. Would you also say that another function or purpose of the GI bill is to ease the transition of the serviceman or woman to civilian life and help them meet educational needs which they might have so that our Nation's veterans can adjust properly?

Mr. VOGEL. Yes, sir. In administering this program and other education programs over the years, it has been the readjustment value that has been at the forefront of our thought. Recruitment and retention of the military, of qualified and highly qualified individuals, is a matter of importance to all of us, but of course of keen importance to the Department of Defense.

Our approach is readjustment first, and on retention and recruitment we defer to DOD which is interested, as all Americans are, in having high quality individuals in uniform.

Mr. JONTZ. So, any factor which influenced the ability of the GI bill or the VA to fill the need for proper adjustment and fill the need for educational benefits—any factor that would be an obstacle to that—would be a concern of yours.

Mr. VOGEL. Absolutely, sir.

Mr. JONTZ. We have heard a great deal of testimony that the $100 a month deduction does serve as a major obstacle in preventing young men and women entering the service for signing up for the program. And given that the result of this that there will be a great many veterans whose transition to civilian life will be more difficult because they cannot participate in education programs under the GI bill, would you not conclude that the $100 is in fact a major barrier to serving your purpose which is to serve the veterans and help with their educational needs?

Mr. VOGEL. We have been very pleasantly surprised at the level of participation as it is. I, very frankly, wouldn't have thought we would have had this high level of participation that we have had. So, our view, frankly, from that beginning point is that the participation doesn't seem to have been hurt by the $100 a month deduction, but if the participation could, indeed, be higher, as you suggest, Mr. Jontz, I really don't know what the answer is. We see an increasingly higher participation rate. Some other number could avail themselves of the program if the monthly deduction was somewhat less.

Mr. JONTZ. And that would help you to serve their educational needs when they become veterans?

Mr. VOGEL. Absolutely, sir.

Mr. JONTZ. Thank you.

Mr. VOGEL. Yes, sir.

Mr. DOWDY. Mr. Evans?

Mr. EVANS. No questions, Mr. Chairman.

Mr. DOWDY. Mr. Smith?

Mr. SMITH of New Jersey. I thank the Chair.

I notice that General Lukeman's testimony points out that there would be a loss of $88 million if we went to a $60 per month pay reduction. Over what period of time is that? Do you happen to know, Mr. Vogel?

Mr. VOGEL. I would imagine over the 20-month period. I am not sure, Mr. Smith.

Mr. SMITH of New Jersey. That is a significant amount.

Mr. VOGEL. I just saw that testimony earlier this morning. And my staff said we don't know where that came from, but we would like to talk to them about that.

Mr. SMITH of New Jersey. Maybe that's lost interest.

Mr. VOGEL. Perhaps.

Mr. SMITH of New Jersey. I guess that's a question more aptly put to General Lukeman.

Mr. DOWDY. Mr. Chairman?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

To follow up on Jim Jontz' question to you, Mr. Vogel, that is an unknown about the $100 a month, but we have been getting an impression from the people who have been dealing with these young men and women. It might have a chance—I think in World War II 40 to 45 percent used their GI benefits. The Korean War was close to 50 percent, and then the Vietnam War was over 60 to 65 percent. By having their own money involved, the $1,200 plus, makes a total of $10,800, it is felt that they might go to school after they get out to get their money back. Then once we get them there, we got them. So, we ought to be very careful that we take a good, hard look at that.

I didn't want the $100 a month, Jim, but that's all we could do to get the bill. Now since we have got it, we just have to kind of wait and see. I am not sure whether it's an advantage to make them go to school or not, but we ought to watch that point and see how it comes out.

My other comment. We are trying to get off the computer how much money has come in to the VA, but did you say $142,000 has been paid out?

And I realize that's a small number because the program is not quite 3 years old yet. The big cost to the Government will be in 1990 and 1991. And so, I'm just saying these are pretty accurate figures that on the $100 a month that's being paid into the Government on the GI bill, the Government is taking in $313 million versus $142,000. So, actually it's certainly a good deal at this time for the U.S. Government. These are funds that are coming in and at a later date, of course, in 1990 and 1991 I know there will be a lot of hollering around here. You didn't tell us it was going to cost this much. But right now it is certainly working well, and the Government is benefiting as well as young men and young women—$313 million.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Chairman.

Let me ask one final question in light of the figures that the chairman has presented about the total dollars that have been kicked in.

If Gramm-Rudman is implemented, what effect would this have on chapter 30 and chapter 106 programs?

Mr. VOGEL. Very frankly, Mr. Chairman, we are not sure. The General Counsel has that under consideration. We posed the question to the General Counsel's Office about the possible effects if we have a sequester. I don't know whether Mr. Kane can answer that. I don't have the answer yet from the General Counsel.

Mr. KANE. We don't have any answer at this point in time, sir. We don't know what the reduction would be. It could have an impact on it.

Mr. MONTGOMERY. Do you mean, Mr. Chairman, like it would reduce the $300 to $250 a month?

Mr. DOWDY. Right.

Mr. MONTGOMERY. It did under the Vietnam-era bill. We had some complaints on that. It reduced it $15 to $20. But for some reason this was exempt under the first Gramm-Rudman. Now, whether it will continue to be, I certainly hope it will be. That's a good point. We ought to follow up on that because $300, as testified here yesterday, is really not enough funding to get these kids where they can really get a decent education.

Mr. DOWDY. I thank each of the witnesses very much. And again, we would like to have the figure. I am sure that it will correspond with the figure that our committee has, but we would welcome your information.

Mr. VOGEL. Yes, sir.

Mr. DOWDY. Next we will hear from Lt. Gen. Anthony Lukeman, Deputy Assistant Secretary of Defense for Manpower and Personnel Policy, and Maj. Gen. Sloan Gill, Acting Deputy Assistant Secretary of Defense for Manpower and Personnel.

We want to thank both of you, General Lukeman and General Gill, for being here today. And we would ask that you proceed, General Lukeman first, followed by General Gill. We have received your very excellent written testimony, and we thank you for that. And if you would like, proceed to summarize your written statement if at all possible.

STATEMENT OF LT. GEN. ANTHONY LUKEMAN, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND PERSONNEL POLICY, U.S. DEPARTMENT OF DEFENSE

General LUKEMAN. Thank you, Mr. Chairman. I'll do that. I really appreciate the opportunity to speak here for the Department of Defense and give a perspective on the three bills. And more particularly, I want to express the appreciation of the Department, and in particular the young men and women who are coming into the military services today for this very, very fine program that the committee has crafted.

Very briefly, our position on the three bills is that we favor an extension of time from 2 weeks to 30 days during which a servicemember can make the decision whether or not to participate in the program. The language of one of the bills is a little bit too restrictive, we believe, requiring action at the close of the individual's training period when a lot of other things are going on and the man or woman's mind may not be on this subject. He is getting ready to go to his new duty station, thinking about going on leave, thinking about his new training that he is going to be taking and so forth. So, we think 30 days is a little bit better.

The language of the other bill saying not to exceed 60 days is somewhat less than desirable because three of the four services' basic training is less than 60 days. Thirty is simply a good number that makes sure it will get done early on in the person's enlistment, and it gives the services plenty of flexibility to fit it properly into their basic training when most of the administrative things are being done.

We also favor the provision to provide for circumstances where a person becomes disabled or dies but hasn't used an educational benefit at least equal to the amount that his pay was reduced; that is, the difference between the member's contribution and whatever benefit he may have used would be refunded in a case of disability or provided to the survivors in the case of death.

In addition, we would propose an amendment providing benefits to certain individuals who join the program but are discharged before serving the required amount of time for reasons that either benefit the Government or are uncontrollable by the member. These would include early discharge to attend ROTC colleges, a forced reduction in strength, a medical discharge without disability, or discharge because of being a sole surviving son or daughter. In those instances, we propose 1 month of benefit for each month of duty.

We are opposed to several other features of the bills. There is good information developed by the GAO that was mentioned by Mr. Vogel that flight training courses don't accomplish the basic employment objectives of the program. So, we don't see that as a proper extension of benefits. It is clear that a significant majority of the graduates of these programs in the past did not go on to full-time employment.

We also oppose changing the current pay reduction scale to a smaller monthly reduction over a longer period. This is purely a cost consideration where we don't see any great benefit that would accrue, but there would be a cost of about $88 million over the first 2 years because of the smaller reductions in pay for new members joining the program.

Similarly, we don't favor the transferability provisions. They would cost about $20 million a year for the kickers which DOD pays for. Transferability would be used largely by careerists, so there wouldn't be any measurable improvement in retention.

Finally, we oppose reopening the opportunity for individuals who chose to opt out. It would obviously increase costs. It wouldn't help recruiting, and it would encourage individuals to get out of the service rather than to stay in. It would also send a signal to future potential participants that we weren't serious about the one-time nature of the decision. And it could easily tempt some new recruits into not participating, betting on the come that they will get another chance later in their first enlistment.

We think Congress did an extremely fine job in constructing the Montgomery GI Bill, and a few minor fixes certainly are warranted. But we don't see a clear payback to the Department of Defense for these several provisions I've just discussed. As a result we would choose to use the dollars that they would cost for some of the many other critical purposes that are competing for defense resources.

Sir, I can help on the question of how much would be involved in the first year's cost of this program. The figure is about $216 million that would be reduced in pay for 180,000 members that would join the program during a 1-year period at today's rates. I think that is the number the chairman was looking for earlier—about $216 million.

That concludes by informal remarks, sir.

[The prepared statement of General Lukeman appears on p. 222.]

Mr. DOWDY. General Gill?

STATEMENT OF MAJ. GEN. SLOAN R. GILL, USAF (RET.), ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE (GUARD AND RESERVE) FOR MANPOWER AND PERSONNEL, U.S. DEPARTMENT OF DEFENSE

General GILL. Thank you. I am very pleased to appear before this subcommittee and testify on the Montgomery GI Bill and in particular for chapter 106 that applies to the Reserve Forces. I would like to submit my testimony for the record, and make a short opening statement.

We think that the Montgomery GI Bill has proven to be an excellent recruiting and retention tool. Our figures showed 64,000 enrolled by mid-September, and as you heard Mr. Vogel of VA testify that number had risen to 68,000 by the end of September. We think those numbers are going to continue to grow.

We had a few beginning problems with the Reserve Montgomery GI Bill. Most of those were administrative, and with the full cooperation of VA and DMDC, I think those are all well behind us. We seem to be improving every day.

I was asked to testify specifically on H.R. 2950 and the flight training provision for reservists and guardsmen. We are opposed to that bill for the same reasons that General Lukeman and Mr. Vogel gave.

There is one difference between chapter 106, and chapter 30 in the way the flight training would work. A full-time student would be reimbursed for 75 percent of the training costs, and the student would use up 1 month's benefits for each $140 reimbursement. Flight training, even in small aircraft, Cessna 172s, etc. leading to a private license, costs somewhere in the neighborhood of $60 to $75 an hour. We could see that the individual could very easily use up his total benefits of $5,040 within 6 months and still have 5½ years of a requirement to the Reserve. Due to the fact chapter 30 benefits are for service-rendered and chapter 106 requires an obligation to serve. There is a fundamental difference.

The Sixth Quadrennial Review, by the way, are looking at quite a few other changes. It would be presumptious of me to say what the Quadrennial Review is going to recommend.

One of the things, that we would like to administratively change is that chapter 106, the way it is presently written, requires a person who does not have a high school diploma to receive that high school diploma or its' equivalent prior to completion of initial active duty for training. That's a very stressful time for these young men or women in the Reserve or the Guard who are away from home going through initial active duty for training. They have very little time to persue outside educations activities.

We would like to see the requirement for a high school diploma extended to 2 years which would make it read exactly like the chapter 30 active duty bill. In other words, the reservist would have up to 2 years from signing up for his 6-year commitment to come up with a high school diploma. We think that would improve the program considerably.

Again, I think the Montgomery GI has been a great success. It has proven to be a great recruiting and retention tool.

And I stand by for questions.

[The prepared statement of General Gill appears on p. 227.]

Mr. DOWDY. Thank you General Gill and General Lukeman.

General Lukeman, in your statement, you supported changing the provisions of the Montgomery GI Bill to allow a new recruit 30 days within which to make a decision regarding his or her participation in the Montgomery GI Bill. Is that correct?

General LUKEMAN. Yes, sir.

Mr. DOWDY. So that I can get the time sequence settled in my mind, when does the recruit first receive a paycheck? How long has he been at Fort Jackson, SC when he gets his first paycheck?

General LUKEMAN. The way it is normally done, sir, instead of getting a regular paycheck, the recruit's money is withheld by the organization. And then enough money is made available to him for the necessities because he is in a closed environment and not in a position where he can spend money except on PX necessities and his regular bucket issue, the things that he needs to buy out of his own money. So, basically during recruit training, the dollars are withheld from the recruit so that he is going to have something left when he gets ready to go on recruit leave and go on to his next duty station. Enough is made available to him for the necessities, and that's all.

Mr. DOWDY. So, under the Army scheme, during basic training the trainee does not get a paycheck. Is that right?

General LUKEMAN. I cannot speak to the Army. And I know General Ono will be here just following me. I can tell you precisely that in the case of the Marine Corps, that's correct. He does not get a paycheck.

Mr. DOWDY. Yesterday we had some comments from witnesses who speculated that if we increase the amount of time during which a recruit has to make that decision, that may be counterproductive and may actually decrease the likelihood that a young person might choose to participate in the Montgomery GI Bill.

Can you foresee any circumstances where that would be true?

General LUKEMAN. No, I really can't, sir. Before this last year in Washington, I spent the 2 years previous to that at the Marine Corps recruit depot at San Diego, and I have a pretty good feel for the way these young fellows think. And in all the services, there is a great adjustment when they first come in to basic training. That period is difficult for them and they want to do well, and they want to concentrate on whatever their drill sergeant wants them to concentrate on. They tend to get over that at about—I'd say about the 2-week period, and then start to settle down and think a little bit normally. So, I think an extension would probably work to the benefit of everybody, and the effect that you mention probably would not happen.

Mr. DOWDY. Would we be correct in saying that in terms of getting young people who should be participating in the program to participate in the Montgomery GI Bill that the emphasis should be placed on the period of time when they are talking with their recruiter back home, and the recruiter should discuss the Montgomery GI Bill fully with the young person, with their parents, and with their spouse, if they're married?

Would I be correct in saying that that would be the most important time to make sure they have made their decision regarding the Montgomery GI Bill and that they have made a good decision rather than saying it's more important to make that decision in the third or fourth week after they arrive at basic training?

General LUKEMAN. Absolutely, sir. That's the time that the individual should have his mind made up. Before he or she comes into the service. It's a responsibility of the recruiter to make that happen.

Mr. DOWDY. Thank you very much.

Mr. Chairman?

Mr. MONTGOMERY. Thank you, Wayne. To follow up on your question—and as I say, we are just trying to figure what is best for the GI bill. The recruiter and the parents, as you say, should have these young men and women pretty well oriented to what benefits they are going to get and what they need to think about when they come in to the service.

We found out that maybe the 2 weeks might be an advantage—the longer you give them. And we designed this bill. You have to sign out from under it. We want young Americans to get an education. We think that is the survival of this country that they get as much education as possible.

To extend 30 days, doesn't this give them more ways to spend the money? As I mentioned yesterday, one fellow didn't join up because he was spending $100 a month on phone bills calling home and thinking about automobiles and stereo equipment. Sometimes you just have to move in and do it for these young men and women. Then they will thank you later on when those benefits are there waiting on them. How does that hit you?

General LUKEMAN. It's one of those really difficult questions because the other side of the coin is the young fellow that makes the bad decision not to participate because he is so shell-shocked when he first gets to recruit training. So, it's a tough judgment call.

Mr. **Montgomery**. Well, you know, as a Marine, they told us from Parris Island that 12 months is all right. See, they don't even know how to get out of here. It's not but one gate and one road out of Parris Island. So, they don't need any money. Better get them while you can.

General Gill, nice to see you. Congratulations on your new assignment, and we appreciate the work you did as chief of the Air Reserve.

You mention several areas. We had some areas that were left out of the Reserve section of the GI bill pertaining to vocational training and also master and Ph.D. degrees that could not be gotten under the GI bill for the Reserve, that maybe we would consider putting it under the Reserve clause. Is the Defense Department taking any position? Maybe you mentioned it and I just missed it.

General **Gill**. No, sir. The Sixth Quadrennial Review is looking at that at this time.

Mr. **Montgomery**. Looking at adding vocational?

General **Gill**. Right. At adding these same benefits, the same coverage and everything that's under chapter 30 for the active duty to be applicable to the Reserve Forces—in other words, to have it extended past the baccalaureate degree to a masters degree and a doctors degree, and then also perhaps lowering it to also cover vocational schools.

Mr. **Montgomery**. General Lukeman, we had some testimony from members yesterday pertaining to—we are hearing from service personnel that will retire before 1989 that there is a loophole in the legislation, and they were left out and not able to get the benefits or the New GI Bill. Has the Defense Department taken any position pertaining to this so-called group that say they were left out?

Now, we took what you sent up here and put in the New GI Bill as far as military personnel. We were told by Secretary Weinberger that you have got to extend the Vietnam-era benefits longer than 1989 or it's a possibility that 35 percent of the military forces have not used their benefits, and they might start getting out in 1986, 1987, and 1988. So, we took what you sent up here, and we extended—if you're in the service after 1989—when the Vietnam-era bill expires on December 31 of 1989, if you're in the service, then you are eligible for half of the Vietnam era and all of the new GI benefits.

General **Lukeman**. If there is a loophole in there, sir, we would be interested in closing it because our interest is in making sure that all these servicemen have the advantage of the program.

Mr. **Montgomery**. I'm not saying there's a loophole. That was just the term that was used.

And Mr. Chairman, we would certainly need to have the cost on those figures if we picked up some other service personnel. Plus we would have to decide who would pay for it. Right now the Veterans' Administration pays for the basic benefits, and for the Reserves and what's optional in this bill is paid by the Defense Department. So, it's something to look in to.

Thank you.

Mr. **Dowdy**. Thank you very much, Mr. Chairman.

Mr. Smith?

Mr. **Smith** of New Jersey. Thank you, Mr. Chairman.

General Lukeman, you mentioned that the DOD suggests that education benefits be expanded to include certain Montgomery GI Bill participants who receive an early discharge. Approximately how many people are we talking about in the early discharge group specified in your testimony?

General LUKEMAN. I'll have to give you that answer for the record, Mr. Smith. And I would be pleased to do that.

[The information follows:]

This proposal includes the personnel in four early discharge categories. For the period July 1, 1985—June 30, 1987, the number of Montgomery GI Bill participants who received one of these types of early discharges are as follows. To attend ROTC—41, forced reduction in Service strength—58, medical discharges without disability (EPTS),—1412, and sole surviving son or daughter—2. The total for all four categories is 1513 servicemembers for the first two years of the program.

Mr. SMITH of New Jersey. That would be fine.

You have also stated in your testimony that lowering the monthly pay reduction schedule to $60 would incur a cost to the Government of an estimated $88 million of lost revenue. I was wondering if you could tell us how you calculated that figure and over what period of time.

General LUKEMAN. Yes, sir. Basically what it comes down to is you've got about 180,000 people who would come in during a 1-year period who presently would have their pay reduced at the rate of $100 a month for 12 months, which adds up to about $216 million. As you reduce it to $60 a month for 20 months and with a minor little interest calculation that really is not significant, you collect about $128 million over that same period, which is a 2-year period, the difference being $88 million.

The Congressional Budget Office has estimated that there would be an increase in participation as a result of the lower amount from $100 to $60. And they estimated about a 10 percent increase. But even when you crank that in, there would still be a net difference during that 2-year period of about $75 million in revenues.

Mr. SMITH of New Jersey. But presumably, since the program life is open-ended, the money eventually would be in the kitty. It's a 2-year paper loss, but really the money will be in the pot.

General LUKEMAN. That's right. There would be less revenue during that 2-year period for the Government.

Mr. SMITH of New Jersey. In arguing against transferability, you mentioned the high cost to the DOD and limited impact on transferability on retention. And I was wondering if you could tell us how carefully those issues were studied, what the precise number or loss in dollars there would be. You mentioned $20 million in your testimony. Maybe you could explain that.

It would seem to me that even a modest positive impact on retention would justify the cost. But perhaps we are wrong, and that's the reason for this hearing, to try to accumulate as much data as possible.

General LUKEMAN. We went to the DOD actuary, Mr. Smith, who said this was a really tough problem for her. But she has got all of the information with regard to the demographics, who the people are, how many years of service they have, how people participate generally, what their family sizes are and so forth, and then went on to make an estimate to the best of her ability on how many people would transfer. And her estimate was that just about everybody would transfer benefits who had the capability to do so. And that's where the $20 million figure came from based upon how the family situation looks and the age of the force, careerists and non-careerists, and how people get out and so forth.

So, from the Department of Defense point of view, that $20 million would be a real cost. They are careerists who would have the capability for transferring it. These are the people who have children and for the most part have committed themselves beyond the first term.

Mr. SMITH of New Jersey. Excuse me and pardon me for interrupting.

Do you believe that there would be some who would make that decision to stay in—in other words, be retained if that incentive were provided since, as you suggest, virtually all may opt to utilize the——

General LUKEMAN. It's possible they would, sir. But the number of people who are already beyond their first complete enlistment who stay in anyway is very high. I think it is in the range of about 80 percent of everybody beyond the first complete enlistment goes on to continue for a career.

Mr. SMITH of New Jersey. Is there any kind of poll data or any kind of sampling of people? I'm trying to get a handle on whether or not that is true.

General LUKEMAN. We would probably have to ask people. We would probably have to do an actual survey to get more precise.

Mr. SMITH of New Jersey. If that could be done, I think that would be most helpful as to whether or not it indeed is a retention tool or not. It would have a bearing I think on what we do.

What is the historical figure of the utilization of the GI benefit? How many of the veterans actually use the benefit to its maximum?

General LUKEMAN. I can tell you how many have signed up for the Montgomery GI Bill. Are you driving at something beyond that, sir?

Mr. SMITH of New Jersey. Well, the GI bill is not new although it has been renewed. In previous years when it was fully in force and people were eligible to utilize the benefit, was there a very high utilization rate or low rate? I think that would have some impact in transferability also, as well as cost.

General LUKEMAN. We do have those figures, sir, and I'll be glad to submit them for the record.

[The information follows:]

The current utilization rates for the different GI bill programs that have been enacted are as follows: World War II—50.5 percent, Korean War—43.4 percent, Vietnam War—65.5 percent. For the Veterans' Education Assistance Program—June 30, 1985, 1,237,000 servicemembers enrolled in this contributory program. Some 632,000 later chose to disenroll and receive a refund of their contributions. Of the remaining 604,000, 133,000 or 22.0 percent have utilized their benefits.

Mr. SMITH of New Jersey. I would very much like to have those. Thank you, General.

Mr. MONTGOMERY. Would the gentleman yield?

Mr. SMITH of New Jersey. Yes.

Mr. **Montgomery**. We might have misunderstood you up here. Did you say after the first enlistment that 80 percent of the military across the board re-enlists?

General **Lukeman**. That is correct, sir. The retention of those already beyond the first complete enlistment that is, individuals who are in their second or subsequent enlistment, is very high. And I believe it is in the vicinity of about 80 percent.

Mr. **Montgomery**. We will let the different chiefs—I had no idea it was that high. I know in the Army that after 2 or 3 years, two out of every three have to get out of the service. Well, we'll accept that, and if that's it, that's——

General **Lukeman**. Sir, if that figure is incorrect, I'll certainly correct it for the record. It's quite high. I'm positive of that.

(Note: The actual retention rate for enlisted members who are in their second or subsequent re-enlistment is 84 percent.)

Mr. **Montgomery**. Thank you.

Mr. **Dowdy**. Mr. Jontz?

Mr. **Jontz**. Thank you, Mr. Chairman.

General Lukeman, let me ask a question with regard to the portion of H.R. 3208 which affects the time at which the serviceman or woman is given the option of electing out of the program. I can't speak to H.R. 3180, Congressman Smith's bill. And perhaps his objective is different. But my objective in the language of H.R. 3208, as I understand it and as I intended to write it, doesn't say that you give the recruit 30 days or 60 days or any certain period of time to make a decision. What it says is that you give the Secretary of each branch of the service the discretion to set the period when you allow the recruit to make the choice.

Now, we know under the law, as it now works, at some point you must ask the question to the young serviceman or woman. At some point you must give them the chance to get out from the program. And what I heard when I was visiting Parris Island and the other basic training stations was that there was some, first of all, question in the minds of people there as to just how much discretion they had under the existing law, since the existing law says that at the time that the recruit begins active duty is when you give them the choice.

And secondly, I heard some difference of opinion about circumstances when the best time would be to put that question to the recruit depending on the psychology of things and how the individual branches of the service conduct their training, which is different from branch to branch.

So, what I tried to do in this bill was to give the individual branches of the service the maximum discretion within a certain period of time, which I defined as 60 days, to put the question to the recruit at the time they felt was best.

Now, do you think there is some argument for giving the maximum amount of discretion to each individual branch? Do you think there is some—do you agree with my logic?

General **Lukeman**. Absolutely. I absolutely agree with your logic, sir.

Mr. **Jontz**. Would you mind taking another look at the language in H.R. 3208? And if I have misstated what my intentions are, I want to ask counsel to help me rewrite it. But perhaps there's a misunderstanding or it's confusing in the way it reads. And I would like to ask you to look at that a second time because my intention is to give each branch of the service the maximum flexibility to make a decision on this question which best suits their basic training. I believe that each branch of the service does want to get the maximum possible participation, and that based on what you are trying to accomplish in basic training and how you have it structured at each individual branch, they will make a decision about when to ask the question that will serve the purposes of the legislation and serve the mutual objectives that we have.

General LUKEMAN. Yes, sir. That's certainly the best way to do it.

[The information follows:]

The Department of Defense believes that the second sentence of section 1411(c)(1) of Title 38, United States Code, should read "Any such election shall be made at the time established by the Service Secretary concerned, but prior to the close of the individual's basic training period."

Mr. JONTZ. And let me ask this more for my curiosity than anything else. You have noted in your testimony that three of the branches conclude their basic training within 30 days. Is that correct?

General LUKEMAN. No, sir. Less than 60 days.

Mr. JONTZ. I'm sorry. Less than 60 days. And which branch does not?

General LUKEMAN. The Marines.

Mr. JONTZ. And how long is basic training in the Marines?

General LUKEMAN. 77 days.

Mr. JONTZ. 77 days, okay.

Well, whether there would be any argument in changing the 60 days to some longer date so that the Marines would have a longer option to cover the end of their basic training, I don't know. I don't want to argue that question today, but I do want to have that information.

Let me ask a second question here now. I am confused as to your reasoning that going to the option of $60 a month would incur losses to the Government of $88 million a year. Let me first point out this. Again, I can't speak for Mr. Smith's bill. But my bill does not mandate the serviceman to go to the $60, as you point out in another part of your testimony. In fact, it gives them a choice. So, how many of them would want to say I want to pay the $100 a month and get it over with, I don't know. How many of them would say I like the $60 option, we don't have any way of knowing that right now.

But the serviceman now who pays $100 a month for 12 months eventually pays $1,200. Right?

General LUKEMAN. Yes, sir.

Mr. JONTZ. And let's say then that we went to the option of $60 a month for 20 months. Each of those members of the service would also pay a total of $1,200. Is that right?

General LUKEMAN. Right, sir.

Mr. JONTZ. Plus there would be 10 percent more who would pay $1,200.

General LUKEMAN. Right.

Mr. JONTZ. So, how can you possibly add $1,200 for everybody who is there now plus $1,200 for 10 percent more, and come up with a number which is less than $1,200 for everybody who is there now?

General LUKEMAN. It happens for those people who join up during the first year under the new rule. They'll be joining up from, let's say, January through December of the first year.

Mr. JONTZ. All of us in the Congress understand how you play games with the dates to make it appear that you are spending more or spending less.

General LUKEMAN. Oh, no, sir. We would not spend more. We would definitely not spend more. We would just have less revenue coming in during that first year.

Mr. JONTZ. We understand how to play that game too. But in fact, the amount of money that the Government would be collecting would be no more or no less over the length of the time that the serviceman is on duty under a $60 option than it would be under $100. Is that right?

General LUKEMAN. That is correct, sir.

Mr. JONTZ. Thank you.

Mr. DOWDY. Mr. Evans?

Mr. EVANS. I don't really have any questions of General Lukeman. I came through MCRD about 2 years ago when you were there. And I appreciate the better reception I got as a Member of Congress than what I got when I was a 17-year-old recruit. And we appreciate that.

I just wanted to ask, by the way, when is it in the Marine Corps that people are informed and make that option. I didn't read the statement that you gave, so I'm not clear, for example, when the GI bill is brought up during their boot camp experience.

General LUKEMAN. My recollection is that it was some time within the first week or so that they are there. It's quite early. And it's a pretty stressful time, and I am not sure that they are all making the best decision at that time.

Mr. EVANS. When would you recommend then that it be brought up if you had your way?

General LUKEMAN. I think in general that the young men—and they were all males at San Diego, so that's why I'm saying "men" and not "men and women." But in general, I think the young people I think are pretty well shook down after about 2 or 3 weeks. And right about that time would be a good time.

Mr. EVANS. All right. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Evans.

We want to thank you, General Lukeman and General Gill, for your testimony this morning. The material that you indicated you would submit for the record we would be happy to receive. Thank you very much.

General LUKEMAN. Yes, sir.

General GILL. Thank you.

Mr. DOWDY. Our next panel consists of the personnel chiefs of each branch of service. We are very pleased to have with us today Lt. Gen. Allen Ono, the Deputy Chief of Staff for Personnel with the U.S. Army; Rear Adm. Leon Edney, the Deputy Chief of Naval

Operations for Manpower, Personnel and Training; Lt. Gen. Thomas Hickey, Deputy Chief of Staff for Personnel, U.S. Air Force; Brig. Gen. Gail Reals, the Director of Manpower, Plans and Policy Division of the U.S. Marine Corps; and Rear Adm. Thomas Matteson, Chief of Personnel, U.S. Coast Guard.

We are very pleased all of you are with us today. Because we did not ask you to submit any form of written testimony, I would appreciate it very much if each of you would tell us how the Montgomery GI Bill is helping you maintain the quality force you need. Please consider this and all subsequent questions to be a request for your personal opinion regarding these issues.

So, if we could start with General Ono, and then in the order in which I introduced you.

STATEMENT OF LT. GEN. ALLEN K. ONO, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S ARMY

General ONO. Thank you very much, Mr. Chairman.

I am Lieutenant General Ono, the Army's Deputy Chief of Staff for Personnel.

The Montgomery GI Bill has been dynamite——

Mr. DOWDY. General, talk a little more into that mike. Pull it closer, please.

General ONO. The Montgomery GI Bill has been a dynamite recruiting incentive for the U.S. Army. Since implementation in July 1985, the cumulative Army participation is 79 percent. And for the past 3 months our participation rate has been 92 percent. Likewise in our Reserve components it has far exceeded our expectations. Today more than 26,000 Army guardsmen and 14,000 Army reservists are using or have used benefits. So, it is a powerful recruiting tool.

The Army of today requires I think bright, highly motivated and committed soldiers. And the recruiting incentives that we have must be what young Americans want and need. These young people are, in fact, opting for college education and the funds that come from the Montgomery GI Bill. This remarkable record then says that the current provisions do work.

And we share Chairman Montgomery's and your concerns and advice to be cautious with change. "Will any change increase our participation rate," is a question I have asked myself. And my estimation is that I doubt whether any appreciable higher rate can be achieved. In other words, 92 percent within the last 3 months says that our strategy in regard to how we deal with the young men and women who join the Army may be correct.

Saying it another way, we put great emphasis on our recruiters emphasizing to the young men and women before they join about the importance of the bill. During the period that they are in the Delayed Entry Program prior to coming on active duty, the provisions of the Montgomery GI Bill are explained in excruciating detail to the members. Therefore, when they come into our training centers, the decisions are pretty well fixed in the minds of our young soldiers. The decisions are made in day two while in our reception station. It is done deliberately at that stage to avoid the administrative burdens that would disrupt training once the recruits start basic training.

That ends my informal comments. Thank you very much.

Mr. Dowdy. Admiral Edney?

STATEMENT OF REAR ADM. LEON A. EDNEY, DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER, PERSONNEL AND TRAINING), U.S. NAVY

Admiral Edney. Good morning, Mr. Chairman.

On behalf of the Navy, I also would like to express our appreciation to Congressman Montgomery and to the outstanding support of this committee for the Montgomery GI Bill. It is one of the most dramatic demonstrations of commitment by the Congress and the people in recognizing the importance of military service to the defense of this country and the education of our youth who are the future of this country.

In both those regards, the Montgomery GI Bill is doing its job and doing it well. We find that it is a strong supplement and encouragement to our young people to come into the Navy. As you know, in the Navy our recruiting program emphasizes the total package. So, we are encouraging young people to come in for the tradition of service to our country, for the excitement of adventure and travel, and most importantly for the commitment that our services today place on education in our highly technological society. You cannot grow in upward mobility or contribute to the society unless you get yourself an education. And that is what the Montgomery GI Bill puts up front from the first day that we start the business of recruiting an individual. That is to convey to him the importance of education in our minds and in the minds of the Congress evidenced by the support of this bill.

We also find that from the first day you recruit an individual, your job from then on is to retain him/her. And we find that the benefits of the GI bill under the Montgomery act are also an effective retention tool.

We would like to report that the receptivity in the Navy is on the upswing, and we find that in recent months we have been getting 61 percent of our personnel into the program. And we are now approaching a 50 percent cumulative participation level.

We experienced growing pains in the early implementation of the program. However, we have taken several initiatives to correct that.

We provide a letter to each recruit from the recruiting district commanding officer that highlights the importance and the benefits of the Montgomery GI Bill.

We are now in the process of developing a formal brief that will go to each individual potential recruit. The applicant will then have to sign an acknowledgement that he received the brief and that he understood it. At the same time we provide each applicant with a question and answer sheet that provides all of the information that you need to know.

And we are producing a positive video tape to reinforce the importance and the meaning of the Montgomery GI Bill. We till tie it in to the importance of education for the individual. Because of the youth that we are dealing with, if we can get, up front, the importance of education, we can make education a positive motivator.

We also, commencing on 1 January this year, will begin automatic payroll reductions. So, the individual has all this explained to him—that he will automatically have a payroll reduction, and he is in the program unless he takes a positive step to say, no, I do not choose to. And when he makes that step, he will be counseled that he should think that decision over again.

For all of the previously mentioned reasons, we feel that the program is a positive one for Navy. Because of our initial low participation, which was probably largely attributed to the speed with which we got the word out, we would welcome an opportunity for a window that would allow those people that initially opted out to rethink that decision because of the importance we attach to what you have correctly put as the importance of education to our society.

I also think that changes, particularly in a declining budget environment, probably should be made slowly. If I looked at a change, from a personal opinion, the most important are would be refunding for an individual that leaves the service through no fault of his or her own. We have had numerous letters that when you give them the fairness test indicate a need for flexibility. Perhaps there ought to be some recognition for those individuals that go into the program with good faith, committed to education, but because of the arduous service or whatever reason, they are forced to leave the military under honorable conditions, for medical reasons or something beyond their control. In all fairness they ought to have access to the return of the money that would normally have been theirs had they been allowed to complete the enlistment contract.

I will stand ready for questions at the end of my colleagues' statements here. It is a privilege to be here today representing the Navy.

Mr. Dowdy. General Hickey?

STATEMENT OF LT. GEN. THOMAS J. HICKEY, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. AIR FORCE

General Hickey. Thank you very much, Mr. Chairman.

I have good news to report this morning for all of you. Since I appeared before you here some 6 months ago in support of the Montgomery GI Bill, the Air Force has increased its participation rate from 44.7 percent up to 68.5 percent this last month. Those are truly remarkable increases and we too, as with the Navy, had a very low participation rate the first year or so of the test, down in the mid-1930's, as a matter of fact. So, for that reason we also support a window to let us go back and recover some of those folks that we don't think we really gave a fair shot to.

We are getting quality people as a result of the Montgomery GI Bill. Over 45 percent of our enlisted non-prior service recruits today have some kind of post-secondary experience. And we are at a point now where we have only 495 non-high school graduates in our 490,000 enlisted men and women.

The Montgomery GI Bill is working very well. There are some minor changes that we believe should be made to improve what is granted already an excellent program. And my GI bill program manager I think brought those to the attention of the committee yesterday, and I will be glad to reiterate those today during questioning.

But this committee and the Congress is to be congratulated for a very, very excellent program. And I thank you for the opportunity to appear before you and tell you that. Thank you, sir.

Mr. Dowdy. General Reals?

STATEMENT OF BRIG. GEN. GAIL M. REALS, DIRECTOR, MANPOWER, PLANS AND POLICY DIVISION, U.S. MARINE CORPS

General Reals. Good morning, Mr. Chairman.

The Marine Corps could just say amen and hallelujah as far as what has already been said because the Montgomery bill in the Marine Corps is working in a fantastic fashion. The participation for this fiscal year is at the 75 percent level and it looks like it is going to continue to go up.

We, as I am sure was said yesterday, believe that the bill is part of the overall recruitment package, and it is a very important part. And we look at it as a readjustment benefit for people who have served their country. And it is very valuable, in its own right, regardless of what it does for retention.

On the side of quality in the Marine Corps, again the numbers I think speak for themselves. The number of high school graduates is at an all-time high, as is the caliber in the sense of AFQT or quality of test scores as far as our entrants. So, I believe the bill as it stands right now is doing a great job.

In the Marine Corps we would tend to be a little bit slow in recommending many changes to it. As has already been mentioned about some of our people, as we got off to a little bit of a slow start in making sure that the recruiters and everyone had the proper information, perhaps we left out a few people and did not properly inform, that the fairness test might say that we should go back and perhaps ask them and give them another crack at it. But beyond that, we think the bill is fine as it is.

Thank you.

Mr. Dowdy. Admiral Matteson?

STATEMENT OF REAR ADM. THOMAS T. MATTESON, CHIEF OF PERSONNEL, U.S. COAST GUARD

Admiral Matteson. Good morning, Mr. Chairman, distinguished members.

It is a privilege for me to represent the Coast Guard here today and to echo what has been said by my four predecessors that this is a super bill and it is an excellent tool that the Coast Guard uses in recruiting.

Unfortunately, I am not able to sit here and say to you that we have the participation level that we believe we should have and we want. Since I too was here 6 months ago, we have increased our participation significantly, but I must admit at this point it is about 52 percent in the Coast Guard.

We learned a few things from 6 months ago. We learned that the other services, particularly the Air Force and the Army, were doing a superb job. And we have borrowed some of their tools. We have incorporated them into our program. And I can say to you that if I am here a year from now, which I hope to be, we expect to get that 52 percent up even higher—very, very significantly higher, I might add.

As with the Marine Corps, I would agree that we probably in the Coast Guard need a window. We admittedly didn't do as good a job as we should have done at the beginning. And those people are out there. And I think they deserve the benefits and shouldn't suffer from the fact that we didn't sell the program as well as we could have.

It is an excellent program. It's an excellent bill. And it is a pleasure to work to make an excellent bill even better. And we look forward to doing that with the committee.

Thank you, sir.

Mr. Dowdy. Thank all of you.

I have one comment that I want to make and then have each of you respond to it. Regarding the recommendation that we change the amount of time available to a recruit after he or she gets to basic training to make this decision, I believe, we should be looking at the time before he leaves his hometown going to basic training.

Would it be impractical to change your procedure so that the decision is made by the recruit with the recruiter, after consulting with the parents or the spouse, if he or she is married? Would it be impractical to, the Army says they make it the second day or whatever, instead of extending that time back to 30 days, if we look in the other direction and have the paperwork signed in the recruit's hometown and have that decision made there rather than after they get to basic training? Would it be impossible to do that in a paperwork sense? What's wrong with looking in this direction? General?

General Ono. The intent of what you are referring is what we do today, I think you know, which is to have our recruiters do the detailed explanations before applicants join the service. In fact, we are finding that much of the reason why they are joining is because of the Montgomery GI Bill.

You raise a question in regard to whether it could be done at the Military Entrace Processing Station (MEPS). I am talking about the paperwork. The MEPS is an entry station. We have a very, very modest and austere staff at the MEPS. Our preference is to do it at the reception station.

As I stated—and I think all of you have seen it at our reception stations—the briefing that we give is primarily a reminder briefing and the reiteration of the provisions of the Montgomery GI Bill. The paperwork is then executed during day two. We prefer to retain the procedure that we have today.

Mr. Dowdy. All right. Let me ask this. What papers has a recruit signed in the Army at his hometown recruiting station? What paperwork has been signed that follows him to Fort Jackson, SC?

General Ono. Not much as far as what is signed at the recruiting station. The paperwork that goes forward mainly are the official documents that are signed at the MEPS, at the Military Entrance Processing Station.

Mr. Dowdy. What is signed there?

General ONO. Enlistment contracts. Of course, his medical documents are there, any sort of commitment in regard to training that we have made, and length of service. Of course, there are a number of questions in regard to whether he or she has any criminal record or record of drug abuse, statements in regard to dependents, and so on. This part is extensive.

But yet again, please, we are talking about an arrangement where the staffs at the MEPS are pretty austere. And we prefer not to add another administrative requirement there.

Mr. DOWDY. Where does the recruit take the oath of office?

General ONO. At the MEPS.

Mr. DOWDY. Well, I won't ask the other members of the panel to respond to it because I'm really just thinking out loud. But based on my visits to bases represented by all of the services, in my personal opinion the Army—General Ono said they would make the decision in the second day. What the Army is doing appears to be working well. I think that we are going in the wrong direction if we talk about lengthening the amount of time within which the recruit has to make the decision to 30 days or 60 days. I don't think that the recruit is that much more settled in his environment in the third week or the fifth week of a basic training than he was in the second week or first week.

And again, I would emphasize that to me a saner, better thought-out decision is made by the recruit when he is talking with his recruiter, when the parents go in to talk with the recruiter, when the spouse goes in to talk with the recruiter. If there were some way to move that decision up, I think that we would have a better thought-out decision. I am convinced by what Chairman Montgomery has said that the longer we put it off, the more money they will start spending on phone calls and that type of thing. Perhaps we won't be really doing them a favor if we lengthen the amount of time during which they have to make this decision.

Chairman Montgomery?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

The Congressional Budget Office, when we were working on the GI bill 5 years ago, estimated that 13 percent of the military personnel would participate in the GI bill. And we have heard today how wrong they were.

Mr. Chairman, I will be brief. There's a roll call.

General Ono, you suggested that we maybe go slow in making any changes. It certainly seems you don't need any changes with 92 percent sign up in August. Isn't that what you said?

General ONO. Yes, sir.

Mr. MONTGOMERY. Well, thank you.

And Admiral Edney, we appreciate that the Navy has looked into this situation, and we were out looking at the different ways that the GI bill was presented. And actually that has a lot to do with what your percentage is. And I congratulate the Navy. Maybe we should look into the window that you suggested.

Admiral EDNEY. I would make one comment, sir,. Not only did the bill make sense, but when the congressional delegation went down to Orlando, it focused the attention that we needed applied down there and we appreciate that. Orlando, as you know, is up to about 55 percent, and they have their heads on straight now.

Also, one comment to the chairman on his cite previously. It seems to me that the smaller window in which to make the disenrollment decision is appropriate. Two weeks is fine now but we will change that approach starting 1 January. Then it will be a positive thing. You are in the program. We advise you how much advantage there is to the program, and now you have to focus and make a decision to opt out of the program. And we really don't want to spend too much time encouraging them to think about opting out of the program. So, we are comfortable that we are up front and made the decision to begin automatic pay reductions. You're in and you've got to do something to get out. And we think that's the way it ought to be.

Mr. MONTGOMERY. Admiral, how long do you think that window should be?

Admiral EDNEY. The window now is 2 weeks, and we are comfortable with that.

Mr. MONTGOMERY. You're comfortable with 2 weeks.

Admiral EDNEY. We would not go any further than 30 days, but we are comfortable with the 2-week window.

Mr. MONTGOMERY. Actually Orlando did have a bad day when we went down to look at the GI bill.

Admiral EDNEY. We understand bad days, and we agree with you.

Mr. MONTGOMERY. Actually the Fleet Reserve raised more Cain than we did. We had them on the trip, and those things happened. And thank you.

General Hickey, thank you for your report today. You have been around working with us for about a year now, and we appreciate the Air Force. We saw some of the best presentations of the GI bill done by the Air Force at your our basic training station. And it is good to see that you are up to 68 percent. Do you have any comment?

General HICKEY. Sir, well, it refers back to the timing and where the decisions are. And I would only say—and I am not complaining because our recruiting force is sufficient for our needs. But we only have about one-third of the per capita recruiters per recruit that some of the other services have. And it's fine. It allows us to sufficiently get all we need.

But what it does do is it very much restricts the manpower that we have available, as Chairman Dowdy was asking earlier, to do the one-on-one kinds of convincing and explaining of the GI bill to recruits. And so, as you know, we have concentrated our programmatic materials and everything to that one place at Lackland. And that's why we have attempted to do it there.

It is no big deal. We think it was important. We think we could do a better job if we had the 30 day window in which to work. Right now, we introduce it again on their second day of training and they have until the 7th day to make up their mind. And our impression is, as General Lukeman's was with the Marine recruits, that's a very negative time. They don't like much of anything that is happening to them, and they don't think that we are offering them much of anything good for them to do within any of those points. So, when we are arguing for the GI bill right at that point, we think we are turning them off.

We think that about the 3-week point—2 to 3 weeks—as a matter of fact, we know when we would do it. We would introduce it on the 17th day instead of the 2nd day, and we would give them until the 22nd day instead of the 7th day to make their decisions. So, we know where we would put it in the program. It wouldn't disrupt training. And we think we would get a higher participation rate.

Mr. **Montgomery**. Well, it's interesting that the two services disagree. And probably the window we might look into, Mr. Chairman, as optional with the different service commands.

General Reals, my time is up, but we appreciate what the Marines have done on the GI bill and the high percentage. Do you have any suggestions?

General **Reals**. Well, I was just going to follow up on what has been said. I think one of the Congressmen mentioned it this morning. The key thing is to provide a certain amount of flexibility. And we would support up to a 30 day window. Now, just how we would use that I would not say today. But that would seem to be acceptable to allow for the differences in the various services and how they approach it and the psychology and the various programs. That might be helpful to have that kind of flexibility.

Mr. **Montgomery**. Well, Admiral, you're out there on the spot. We appreciate you are going to look at the percentages.

And you know, what needs to be done, Mr. Chairman, I guess—and you don't want to oversell it. I never thought the All-Volunteer system would work as well as it is working. But I am bold to say that this is probably the best personnel in the 35 or 40 years that I have been involved in the military that I have seen. We have got some fine young men and women out there. And we ought to be proud of it. Somebody is doing a pretty good job.

Admiral, you know, do what you have to do. If you think your percentage is okay, leave it alone. If you want to get it up, move ahead.

Admiral **Matteson**. It's not okay, sir, and it's going up.

Mr. **Montgomery**. Thank you.

Mr. **Dowdy**. Mr. Smith?

Mr. **Smith** of New Jersey. Thank you, Mr. Chairman.

General Ono, what you just related to the committee—and we did see it earlier in some of the testimonies—that 92 percent of the Army recruits are opting into the program, is absolutely outstanding. But it does beg the question as to how many of those recruits do we expect to really go on and use the benefit.

We all know that any given number of secondary school students will be college-minded. And it is usually a much lower percent than 92 or anything close to that whether it be vocational or technical training. There aren't 9 out of 10 young people opting to go into that kind of post-secondary school education.

I was wondering if the Army has any idea how many of those benefits will be utilized. And I know it is a guesstimate, but if you could——

General **Ono**. That's what it would be, a sheer guess.

I have spent five assignments in recruiting. And I can report to you that the youth of America, along with their parents, relate education as a path to success. So, therefore, it is an investment that we are talking to—and that's basically how our recruiters explain this program because they, the soldiers, are going to take a pay reduction for 12 months. But during that period, much of what they are going to be doing is in training. So, the requirement for dollars is not that high.

And the notion of going on to college—thanks to the service that they render to our Nation—is very, very attractive. A great number of them also understand that they will not be going on to college, but the technical and trade school option is very real to them.

How many will use their benefits? I don't know because I would expect that a number who are in the military, who are in the Army, will remain in the Army and perhaps the funds will go unused. But again, it is a very wise investment and that's how we explain it.

Mr. SMITH of New Jersey. Very quickly because I know we have a vote. You did mention before that you have asked the question whether any change will affect the recruitment rate. The recruitment rate is obviously very high, and we are getting a very high quality recruit in all the services.

But I would suggest perhaps the question could also be, whether if we make some changes in the GI bill, it will also provide a better deal for the serviceman or woman. For many of them I can foresee that they will not utilize the benefit. Many will, but many may not. If they can better provide for their families at a modest cost and positively impact upon retention, it would seem to me that it would be an enhancement to the program. I know the committee will favorably consider that.

Thank you.

Mr. DOWDY. Thank you very much, Mr. Smith. We have got to run and be gone a couple of minutes. And we appreciate your testimony this morning.

Admiral and General Reals, the subcommittee had a chance to be in San Diego at the Navy and the Marine installation within the last couple of months. And that was very enlightening and helpful. And we were very well received there.

We have some questions about your suggestions about another window for people who were missed earlier. But rather than ask you to remain for that, we would like maybe to communicate informally. We would ask Mr. Fleming and others maybe to talk with you before you leave this morning.

We must go for a vote, and we'll be back in about 3 minutes and resume with the remaining witnesses.

[Recess.]

Mr. DOWDY. We will resume the hearings, and thank each of you for waiting while we had to go over and vote. Chairman Montgomery had to go vote as well, and he indicated that he wanted to get back to hear the balance of the testimony this morning. But we will start.

Our next panel includes the military Reserve chiefs. We are delighted to have with us today U.S. Maj. Gen. William Ward, Chief of Army Reserve; Rear Adm. Neale Smith, Chief of Naval Reserve; Maj. Gen. Roger Scheer, Chief, Air Force Reserve; Maj. Gen. Jacob Moore, Deputy Chief of Staff for Reserve Affairs, U.S. Marine Corps.; Rear Adm. Paul Welling, Chief, Office for Readiness and

Reserve of the U.S. Coast Guard; and Lt. Gen. Herbert Temple, Chief, National Guard Bureau. If those witnesses will come forward in the order in which I called your names.

We did not request written testimony of this panel of witnesses. We would ask that when you proceed that you consider all questions asked to be a request for your personal opinion regarding the issue raised. And starting I think with General Ward then moving down the table, we would ask you to proceed within the 5-minute rule.

We are glad to have the chairman who indicated that he wanted to hear the testimony of the reservists and the National Guard.

So, General Ward, if you would please start.

STATEMENT OF MAJ. GEN. WILLIAM F. WARD, CHIEF, ARMY RESERVE, U.S. ARMY

General **Ward**. Thank you, Mr. Chairman. It is nice to be here. I would like to preface my testimony with my personal opinion, which I believe is shared by all of us, that the Montgomery GI Bill has been a tremendous boom to both recruiting and retention in the Army Reserve and probably throughout all the Reserve components.

We have several observations. The Montgomery GI Bill, although it can't be proven that it, by itself, has had the only impact on the quality of the force, clearly appears to be the driving, motivating force raising the level of the high school diploma graduates to 96 percent in the last half of the fiscal year 1987.

Because of the current requirement to have completed 180 days of service before becoming eligible, there are, as yet, no numbers that demonstrate actual utilization of the Montgomery GI Bill; however, it seems rather clear that those percentages would be at least equivalent to those of the active components.

The soldiers are the same. Their motivation is the same, and indeed, a large number of those people who have come in to the Reserve components opt to leave for the active component and take advantage of the version of the bill that applies to those components. So, we are very pleased with that.

Regarding possible changes, I think one has to be somewhat careful about making precipitous changes that would tend to degrade the Montgomery GI Bill in areas where it is working very well. I go back a bit on the active side and would like to comment on General Ono's observations. He stated that in the Army soldiers are getting into the program early. I recall that in an earlier part of my career, when I ran a family insurance business, we had a philosophy that once you have a person signed up, don't give him another 30 days to think about it. Soldiers might tend to drift off during basic training and find money for beer and cookies more attractive than something in their long-term advantage.

In any event, the kind of person the Montgomery GI Bill is drawing is a fine soldier, and fine men and women are coming into the Army. Many soldiers with whom I have spoken have stated that the Montgomery GI Bill was one of the main reasons they enlisted in the Reserve components. They expressed a desire to become eligible for the GI bill and to ultimately utilize it just as their parents did. Of course, we have a long period of time before we see how that operates because of the delays in time and differences in individual rates of progress.

With respect to the three pieces of proposed legislation, I really don't believe that the Army has a terrible amount of interest. I frankly haven't given much thought about the aviation issue. The proposed change in this area is not likely to provide any large amount of assistance to us. Furthermore, we find no particular military necessity for it; however, we do recognize that there might be other reasons other than those from the province of the Army Reserve for its adoption.

With respect to the graduate training element and vocational training, General Ono has stated that about the same benefits exist for active and a Reserve component. We agree and think that this is vitally important. It should be a high priority element. As the Reserve component soldiers move into the future and utilize the GI bill, they will look for more kinds of training in areas such as computer sciences and elsewhere in the great margin between vocational training and liberal arts and other classic academic training. Furthermore, it will become increasingly difficult to draw distinctions between types of training and education. Nevertheless, the knowledge and wisdom that they will acquire from training should apply across the whole spectrum from vocational through graduate training. Certainly, the GI bill becomes even more of a retention enhancing factor because reservists have to stay in the program to utilize it.

Those are my basic comments on the particular points—and my personal opinions. I haven't commented in other areas. Obviously, we are willing to answer any questions that you may have. Thank you, Mr. Chairman.

Mr. DOWDY. Admiral Smith?

STATEMENT OF REAR ADM. NEALE SMITH, CHIEF OF NAVAL RESERVE, U.S. NAVY

Admiral SMITH. Mr. Chairman, regarding the Montgomery GI Bill, we love it. If we just take a look at results, since July of 1985 in the Naval Reserve, our 6-year enlistments are up from 33 percent of our accessions to 48 percent. Our upper middle grade and non-prior service personnel have increased from 55 percent to 75 percent. Our high school diploma graduates are up from 77 percent to 88 percent. Retention is up over what it was prior to that point. So, it has got to be a "driver" that happened in July 1985 that made that turnaround.

The summary is that it is a strong incentive for us in the Naval Reserve for non-prior service personnel to enlist. It is equally a strong incentive for our fleet experienced personnel, those in whom we have a big investment in training, to re-enlist. We are seeing that.

There is also a positive subtlety to this GI bill—that is, that the military is just not focusing its attention on recruiting and training people to be warriors to defend this country. They chose a military that is concerned about, and is a vehicle for, improving the individual personally and also in helping in social awareness to make this a better educated country.

Regarding any possible changes in looking at the bill, I would say that there are five issues that I would touch on. One is that we would like to see an expanded use for VA approved courses and VOTECH. We would like to see authorized payment for less than half-time participation. We don't see a need for post-baccalaureate use of the benefits. I think we ought to eliminate the 180 day requirement, and I think we ought to allow more time for people to get their high school diplomas. After all, the intent of it is to encourage education, and it would be a shame to put a stopper on it up front on the basis of the high school diploma.

Thank you, sir.

Mr. DOWDY. General Moore?

STATEMENT OF MAJ. GEN. JACOB W. MOORE, DEPUTY CHIEF OF STAFF FOR RESERVE AFFAIRS, U.S. MARINE CORPS

General MOORE. Mr. Chairman, I also commend the Montgomery GI Bill as a tremendous plus for us in the Marine Corps. I think that it is probably a little early to get all the results, but I think the indicators are there. We have grown from some 78 percent of Marine reservists last fiscal year electing this option to 87 percent this fiscal year who have elected to stay for 6 years to be eligible for the program. So, it has got to be a big impact on retention.

Our attrition rates are down some 6 percent from 1985. I would not come this morning and tell you that that is entirely due to the Montgomery GI Bill, but there is no question in the opinion of those in the field, those that are working with it, those that are talking to these individuals in the units, that it is a big factor.

So, we certainly strongly support the bill as it stands today. And when I look at what changes might be made, we only come recommending perhaps two changes in how it affects the Reserve.

The first one we would recommend is the elimination of the 180-day requirement. In talking to the individual Marine, to put this in perspective, or the individual that we sign up in the Reserve, he may go for his individual training, his initial training, and then he comes back to the Reserve. If we enlist this individual in the June-July time-frame, and he completes his training, but he cannot start the college year that year without some assistance, the 180-day role would cause him to delay his first semester of college. So, we think it would be a factor if we could get the guy into the program early. Once we get them involved in the program, then we tend to retain people.

The last thing we would do, we would extend it to the vocational-technical training. We have many Marines that could enhance their MOS and their own readiness, because a large part of our force is involved in some trade or professional type of job. So, we think that would enhance the readiness of our Reserve Force as a whole.

I echo the comments that have been here this morning that we think it is a tremendous plus for recruiting and retention of our Reserve, and we strongly support it continuing. Thank you, sir.

Mr. DOWDY. General Scheer?

STATEMENT OF MAJ. GEN. ROGER P. SCHEER, CHIEF, AIR FORCE RESERVE, U.S. AIR FORCE

General Scheer. Thank you, Mr. Chairman.

Like my colleagues, we in the Air Force think the Montgomery GI Bill has been a godsend.

How do you objectively appraise it? We have looked at the 6-year enlistment and re-enlistment, and like the Navy, we have seen since the initiation of the bill in June of this year a 15 percent increase in 6-year enlistments. In fact, for prior service enlistments, it has gone from 47 to 61 percent; for re-enlistments, 41 to 57 percent. So, that's for 6-years commitment. That's probably as good a way as we can come up with to objectively appraise the benefits it provides.

We would like to change the 180 days which seems to be more an administrative obstacle than anything else. Eligibility for vocational technology instruction could perhaps be a significant benefit. The most significant change for us would be allowing for less than half-time participation since the reservist today spends so much time in just his Reserve duty. You add his full-time occupation to it, and there are simply some people that just cannot go to school at a half-time. But if they could take one course, it might fit into their schedules.

Just a little off the track, though, our average air crew puts 110 days in a year. So, if he is one of these that wants to participate in school, it would be a burden.

But other than that, it has been, by any standards, a real godsend to recruiting and retention and overall education of this country. And we thank you for creating such a bill, and we will be your staunchest supporters for any testimonials you'll need in the future on it. Thank you.

Mr. Dowdy. Admiral Welling?

STATEMENT OF REAR ADM. PAUL A. WELLING, CHIEF, OFFICE FOR READINESS AND RESERVE, U.S. COAST GUARD

Admiral Welling. Good morning, Mr. Chairman, members. I am delighted to be here with you this morning.

The Montgomery GI Bill has had a very significant beneficial effect in our recruitment program for Coast Guard reservists.

As a servicemember who has personally used GI bill benefits at night school, I feel that it would be good to amend the current law so that members taking less than half-load could receive some payment. I note that reservists now only receive $70 a month benefit when taking a half-load. I don't know how significant a monthly benefit of a lesser amount would be to a reservist. But I favor partial payment for those taking less than half-semester loads.

I believe further that the Coast Guard reservists would be interested in taking advantage of opportunities for vocational and technical training.

And as the others have commented, I too share the view that it would benefit us if the reservists were able to begin using these benefits earlier than 180 days after their commencement in the program.

Thank you.

Mr. Dowdy. General Temple?

STATEMENT OF LT. GEN. HERBERT R. TEMPLE, JR., CHIEF, NATIONAL GUARD BUREAU

General Temple. Good morning, Mr. Chairman and members of the subcommittee. It is my pleasure to appear on behalf of the 550,000 members of the National Guard.

We have the highest praise for the Montgomery GI Bill, and are delighted it was made permanent on June 1, 1987. One purpose of this bill is to encourage and sustain membership in all of the Reserve components. National Guard statistics confirm achievement of this objective. Since its inception, the Army Guard has steadily increased to almost 27,000 Montgomery GI Bill participants, and the Air Guard has almost 10,000. Furthermore, 6-year commitments have increased significantly.

A nationwide attitudinal survey was conducted by the National Guard Bureau in late 1986. This survey of 15,000 clearly indicated the strong recruiting and retention value of the GI bill to the personal decisions of National Guard members. The survey showed 58 percent of the respondents considered the GI bill a factor in enlistment, re-enlistment, and extension decisions. Further, 29 percent indicated they would not have enlisted, and 19 percent would not have re-enlisted or extended, without the GI bill.

You might be interested in knowing that in the Army National Guard that high school diploma graduate increases amounted to 3 percent since the inception of the bill. We are now at 85 percent. The Air National Guard has always required a high school diploma for enlistment.

Since the beginning of the Montgomery GI Bill, the Army National Guard has seen three times more 6-year extensions or re-enlistments. That is important for us. The Army and the Air Guard are leaders in participation in this program. Close to 73 percent of those eligible are becoming members of the GI bill program.

The Army and Air National Guard, by the way, led all of the Reserve components in retention in 1986.

To increase the incentive value as a recruiting and retention tool—and enhance the simplicity of administration—we would support the following changes to the Montgomery GI Bill: expand the educational program to vocational-technical study and post-graduate study; and allow use of the Montgomery GI Bill benefits for less than half-time study at a prorated level of payment.

I have reviewed the three bills I was asked to comment on: H.R. 2950, H.R. 3180, H.R. 3208. We believe that certain technical corrections need to be made to 3180 and 3208 to avoid problems that would otherwise arise in implementation. I would be happy to have a member of my legal staff meet with your staff to provide those details.

This program has some subtle benefits to the National Guard and the Nation which I would like to also mention. Individual guard members who have used the Montgomery GI Bill are much more likely to remain in their community and view their service to our country as having a lifelong benefit. By affording these young people the opportunity for increased productivity through higher education, they may seek more responsibility in the Guard by becoming non-commissioned or commissioned officers. This source of young leaders is extremely worthwhile to both the Guard and the community.

In closing, on behalf of the Army and the Air National Guard, I wish to commend Chairman Montgomery and the members of this committee for their diligence in pursuing this most welcome legislation. The Montgomery GI Bill benefits in recruiting and retention have surpassed our expectations. I thank you for the opportunity to express these views.

Mr. DOWDY. Thank you very much, General. We want to thank all of you for your testimony this morning.

Mr. Chairman?

Mr. MONTGOMERY. Thank you, Mr. Chairman.

After I ask some questions, I am going to have to leave. But I know the Chiefs of the Reserves will be glad that I am meeting. We are now meeting today at noon on the authorization bill to run the military for fiscal year 1988, so we are meeting at noon. I have got to get up there and protect the Reserves and the National Guard, and don't let anybody bother any of those functions. And I don't think we will.

Mr. Chairman, I think one thing that really the American people need to know—and I try to do it in remarks I make across the country—and Chris—is that Reserve Forces have improved so much in the last 10 years that they really are not Reserve anymore. They are front line. And they have taken over a great deal of the responsibility of the Active Forces. And it's a good buy for the taxpayers in that it costs half as much to keep one of these units doing the same thing as an Active Force does as far as the personnel is concerned, and that the Congress in effect initiated giving new equipment and incentives such as the GI bill to the Reserve Forces.

And these different chiefs have really come through for us. And they are front line totally. They have responsibilities right with the regular forces. And that's good. That's the way it ought to be.

General Ward, as far as the Army Reserve, I saw the Secretary of the Army the other day, and he was showing me that 95 percent of the Army Reserve now is high school graduates. And I am sure they are going into the educational program.

Are you having any strength level falloffs in any way?

General WARD. As a matter of fact, we have had a minor falloff this year in the troop program units. However, when you look behind that falloff, we still have a gain over the end of fiscal year 1985. While we didn't quite make the gains we wanted, one of the main reasons we did not was the success of the Montgomery GI Bill. A large number of Reserve soldiers joined the active components. Approximately 9,000 joined this year. As these soldiers entered the active components they exercised the GI bill. Of course, this necessitates our going out to recruit new ones and enlist them. This is an excellent example of how the total force is working.

Now, that number of 9,000 transfers to the active components compares to the pre-1985 historic average of under 5,000 transfers from Army Reserve TPUs, a group that comprises about half of the total of 600,000 Army Reservists. So, in the last 2 fiscal years the number has increased about 2,000 per year.

This is a healthy sign. Once soldiers finish basic training, they like the Army. They see the attractiveness of the GI bill and see an opportunity to grow and be all they can be. Many of these soldiers will return to the Reserve structure later. When they do return to most will be much brighter, far more attentive, and much more interested in doing things. As I said before, that is why we want them to be able to utilize the Montgomery GI Bill for vocational study and, indeed, graduate study. We are particularly hopeful taht our soldiers might acquire skills along the way that would enable them to fill vacancies in areas such as nursing.

Mr. MONTGOMERY. Thank you. Thank you very much.

Admiral Smith, give us those figures again that you gave.

Admiral SMITH. Yes, sir.

The 6-year enlistments are up—this is since July of 1985—from 33 percent of our accessions to 48 percent. Upper middle grade, non-prior service have increased from 55 percent to 75 percent. High school diploma graduates, up from 77 percent to 88 percent. I don't have retention figures, but our retention has been improving since 1985. And the trend continues through this whole period.

Mr. MONTGOMERY. Thank you, Admiral Smith.

General Ono mentioned that this was a dynamite bill, and then you mentioned it is a loved bill. So, we might change it to the "dynamite, loving Montgomery GI Bill."

[Laughter.]

Mr. MONTGOMERY. I notice my time is up.

General Moore, on retention, I think some of the problems we had on the Senate side mainly with staff that the GI bill would push them out and that wouldn't be a retention factor. But what I have heard here today is that it is a retention factor. By signing up for 6 years, that's a pretty good long time to have a young man and a young woman to sign up for 6 years. Are you confident that the retention factor will hold up?

General MOORE. Well, I certainly am very confident because in order to participate in it, he must stay in. The mere fact that potential recruits are willing to opt for 6-year contracts is reflected by the fact that our 6-year contracts have gone from 34 percent up to 50 percent of our total force. That's a trend that shows that the people want to participate, and I am confident that the retention factor is there tied to the GI bill more so perhaps in the Reserve than in the Regular component because of the way the reservist has to stay in order to be eligible for benefits.

Mr. MONTGOMERY. Thank you.

General Scheer, what was your statement about master degrees and Ph.D. degrees? You have a lot of technical people enlisted.

General SCHEER. Yes, sir. We would very much like to see the coverage expanded into the post-baccalaureate field as well as the other end of it on the vocational technology instruction.

Mr. MONTGOMERY. Thank you.

Admiral, the Coast Guard was a little low on the number that participate on Active Forces. And do you have the figure on Reserves of participation?

Admiral WELLING. Yes, sir. I have a raw number of 700, but I don't know accurately what the number of participants are. I am told around one-quarter of our Reserve personnel would be eligible to participate.

Mr. MONTGOMERY. Well, you have to use the 6-year enlistment for the Reserves.

Admiral WELLING. Yes, sir.

Mr. MONTGOMERY. General Temple, what about retention of the Air Guard? That seems to come out that you have got a good figure there—the retention of the Air Guard signing up, re-enlistment.

General TEMPLE. Sir, the Air Guard is sustaining a retention rate which is foremost amongst any of the Reserve components. We expect this year somewhere between 12 and 13 percent of losses, which is by far the best record within the Department of Defense.

Mr. MONTGOMERY. Can you make your strength levels with the incentives you have got now? Well, unless Gramm-Rudman cuts you back, you have an increase in strength level.

General TEMPLE. Both the Army and the Air National Guard will exceed program strength this year.

Mr. MONTGOMERY. You will make your strength level.

General TEMPLE. Yes, sir.

Mr. MONTGOMERY. General Scheer, you said you had a 15 percent increase in a 6-year enlistment?

General SCHEER. Yes.

Mr. MONTGOMERY. And you think part of that is attributed to the——

General SCHEER. I think it all is. This was from the 6-month period immediately prior to the implementation of the bill, that prior service enlistments went from 47 to 61 percent, and the straight re-enlistments from 41 to 57 percent. So, the only change in that time-frame was the GI bill.

Mr. MONTGOMERY. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Chairman.

Mr. Smith?

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

General Ward, you indicated that 95 percent of your men and women are high school graduates. How many——

General WARD. People who enter the service this year.

Mr. SMITH of New Jersey. Okay, right, a clarifying point.

General WARD. The figure is low because some of them are older soldiers.

Mr. SMITH of New Jersey. How many of those are college graduates?

General WARD. Pardon?

Mr. SMITH of New Jersey. How many of those are college graduates for whom the New GI Bill would be a moot point?

General WARD. I don't have that number available. Of course, most of our officers are ineligible upon commissioning because they already have college degrees. Furthermore, we have many college graduates enlisting in the force. There are many soldiers who would, of course opt for the GI bill, should they otherwise be eligible. Many soldiers join the Reserve components to get some specialized kind of training such as medical training for example. I don't have the number of enlisted college graduates; however, I estimate that is probably about 3 percent of the enlisted force currently has college degrees. It might be slightly higher for the new troops who joined in 1987. I can get a record of this for you.

[The information follows:]

In FY 1987 the Army Reserve had a total of 74,589 enlisted gains of whom 2,549 had college degrees. Of the 9,058 officer gains 1,080 were identified as not having a four year college degree.

Mr. SMITH of New Jersey. I appreciate that.

Admiral Smith, I think you indicated that 88 percent are high school graduates.

Admiral SMITH. I'm sorry? Eighty-eight percent, yes.

Mr. SMITH of New Jersey. That kind of information would be helpful to know, especially as it relates to the transferability issue as well as graduate work as to whether or not that is something that we should provide for.

General WARD. I could add something. A recent study we did of the soldiers in Army Reserve troop program units showed that 61 percent go on to college or graduate school or require continuing full or part-time education The number 61 percent of those 300,000 soldiers is tremendous.

Mr. SMITH of New Jersey. I would be interested in your views on—oh, Admiral Smith?

Admiral SMITH. We are different from that. In the Navy only 5.5 percent of our enlisted personnel have college degrees. If there is a need in other services for post-baccalaureate degree GI bill application, then we would hope that would be provided in legislation for application by the services. What we foresee is no mobilization requirement and minimal application to our enlisted, therefore a "freebie" to those Reserve officers who would get a post-baccalaureate degree education anyway.

Mr. SMITH of New Jersey. I appreciate your views on transferability. As I think all of you know, H.R. 3180 and other bills would provide for transferring the benefit to child or spouse. General Ward, perhaps you would want to start.

General WARD. At this point I think it would be premature to make a judgment as to whether the resources applicable to transferability would be better used for other incentives related to retention or, rather, for some other type of extension of the program such as for post-graduate education. We find a large number of our young officers leave the troop program units because of pressure of going to school. If they were able to continue to utilize the GI bill for post-graduate education, that would be a way to retain them in the units. In this regard you might wish to consider restructuring GI bill payments proportionally for post-graduate or part time education. However, right now, absent that kind of an incentive, many young officers have to make a choice between job enhancement in the civilian area and leaving a troop program unit. With the highly competitive society out there, it would be a big plus if we could do a better job in retaining these people.

In my judgment it would be premature to offer any opinion as to how transferability would affect readiness criteria. It would be worthwhile to carefully observe the impact on readiness as the program develops.

Mr. **Smith** of New Jersey. Thank you, General.

Admiral Smith?

Admiral **Smith**. I have commented on the post-baccalaureate piece.

As to transferability, I agree with General Ward. We don't have a hold on it, can't get a feel for how it would apply, and therefore we would probably be reluctant to put resources toward that until we get a better feel for it.

Mr. **Smith** of New Jersey. Just one footnote. The bill would provide that either the Reserve or the active duty personnel would have to be in the services for 20 years, and it would only be transferable after the 20-year mark, which puts a heavy emphasis on retention. So, it would not kick in sooner than that.

General Moore?

General **Moore**. Well, we don't support the post-graduate part of it. We think that would only pertain to a few. And we are manpower intensive where 99 percent of our people are the high school grads. So, that's the large force that we are pointing toward retaining.

As far as transferability, I too don't know how that would impact on retention. But you know, in order to stay with something for 20 years, it is pretty hard to get a guy to sign up for that early on if he is going to get it in a 20-year time-frame. So, I don't know how that would impact on retention. At the present time I think the GI bill, as it presently extends, is adequate in that case.

Mr. **Smith** of New Jersey. Thank you, General.

General Scheer?

General **Scheer**. Certainly, sir, the transferability would have a positive effect on retention. I don't think there is any question about it. But right now, to be frank with you, there isn't any need for that. In the Air Force, there is no problem in manning our force, and retention is not a problem. So, at this day and age, it is probably money that we could better spend elsewhere. But who knows what it would be 3 or 4 years from now. But if I had to say today, I'd say, no, I think I would rather save that money for something else.

Mr. **Smith** of New Jersey. Admiral Welling?

Admiral **Welling**. Sir, we haven't done any analysis of it. It's hypothetical. I don't know that it would really contribute much to the retention of Coast Guard reservists that I know. He or she would have to serve 20 years before he might have the possibility of transferring it. It's too distant I think to make a significant impression on him or her.

Thank you.

General **Temple**. Sir, during my opening statement, I indicated my support for advanced degree work that could be provided through the GI bill. And I think that is important because our people are coming back to spend the better part of their life in the community. And I think if you look at the educational mores of today, more and more people are actively involved in education beyond the baccalaureate level. And I think it would serve as an enhancement to remain as a member of the Reserve Forces and especially the National Guard.

The issue of transferability—I suspect I would have to agree with my associates who have indicated it may be a bit premature to make a decision. But nevertheless, it's a very attractive issue for those young people who are starting families and are looking to the potential for when they retire from the services. The opportunity to be able to transfer—I would think that that is very compelling. But again, it may be beyond our time here.

Mr. SMITH of New Jersey. Part of the rationale as to why I believe it would help in the area of retention is that as each serviceman or woman is facing the decision to re-enlistment or opt out of the services, this may be just one of those kickers that keep them in. And that decision wouldn't be made when they are recruits. It would be made at each transition point. It might make it all that more doable.

As I indicated earlier, I think there might be significant savings in terms of those people whose skills leave when they are out of the service, and the cost that it would require to train somebody to fill that position.

General TEMPLE. Yes, especially if you——

Mr. SMITH of New Jersey. It needs more study unquestionably, but I think if——

General TEMPLE. Especially if you look at the high skills that we need. The critical shortages in the Army Guard are amongst some very high technology skills which we are hard-pressed to find people to serve in.

So, your point is well taken, and it is certainly worth watching. It may be worthy of application later.

Mr. SMITH of New Jersey. Thank you.

Could you, General Temple, just reiterate, if you would, and perhaps provide some more amplification. I believe you said 58 percent of the people said that the GI bill was a factor, at least one of the factors in enlisting; 19 percent would not have re-enlisted without it. Am I misquoting that, or is that correct?

General TEMPLE. That's correct. There is a survey that showed that 58 percent of the respondents considered the GI bill a factor in enlistment, re-enlistment and extension decisions. Further, 29 percent indicated that they would not have enlisted, and 19 percent would not have re-enlisted or extended, without the GI bill. So, clearly it is evidence of the fact that it is very attractive.

Mr. SMITH of New Jersey. Thank you. That kind of statistical base will help us. Although the vote did not evidence this, there were several Members of Congress, when the bill was being discussed in committee, and particularly over in the other committee, the Armed Services Committee, that felt the cost might not justify the gains. I think this kind of feedback just provides a great deal of rationale to continue the program and enhance it. Thank you.

Mr. DOWDY. Thank you very much, Mr. Smith.

If I could, I would like to summarize the testimony that I think I have heard from each of the panelists. Each of you, it is my understanding, would agree that the 180 days of completed service—that that requirement be eliminated. Is that a correct statement?

[Witnesses indicating affirmative response.]

Mr. DOWDY. And also, there appears to be a general consensus among the panelists today that we should look at allowing chapter

106 participants to pursue the same type of courses as those allowed in the active duty, the chapter 30 program. Is there any disagreement in this area?

General Moore. You're referring to the post-grad type, voc tech?

Mr. Dowdy. Yes, post-grad and technical school.

General Moore. And the voc tech—technical does not include any portion of flight training?

Mr. Dowdy. Yes, I'm not asking about flight training, but insofar as post-grad and technical.

General Moore. We in the Marine Corps, don't object to the post-grad thing, however, we are not so sure how much we would get out of such a proposal at this time. So, we are not adamantly opposed to it. It is something we would like to look at.

Mr. Dowdy. All right. I recall your having said that in response to questions to the chairman.

Admiral?

Admiral Welling. We are not excited about the post-graduate thing because we think primarily it would be an officer benefit. And our officers have sufficient education. Our concern would be we would have to pay for it, and we think that our monies could better be spent in other areas. So, we are not enthusiastic about the post-graduate education aspect.

Mr. Dowdy. All right. But with those exceptions, which I recall having been pointed out earlier, is it fair for me to say that the testimony of this panel of witnesses generally favors changes in the law to allow the chapter 106 participants to pursue the same types of courses as those that are allowed under chapter 30?

[Witnesses indicating affirmative response.]

Mr. Dowdy. All right. Thank you very much for your testimony and your participation this morning. Thank you.

Our final witness today is Mr. Michael Schlee, who is representing the American Legion. Mr. Schlee was on the trip with the members of the subcommittee when we went to the different training bases. And we welcome his appearance on behalf of the American Legion.

Mr. Schlee, we have received the Legion's written testimony, and we would like to have your summary at this time.

STATEMENT OF MICHAEL SCHLEE, DIRECTOR FOR NATIONAL SECURITY AND FOREIGN RELATIONS, THE AMERICAN LEGION

Mr. Schlee. Okay, I'll be very brief, Mr. Chairman. It is a privilege to appear before you again. I certainly want to acknowledge the close cooperation in both enacting the Montgomery GI Bill and making it permanent legislation which the American Legion and the committee has had.

As you stated, I had the opportunity to be on the trip with you. My brief remarks here will be based on observations I made on the trip. Our resolutions are not specific on some issues.

As I was reviewing my briefing notes this morning from the trip, there is little or no question in my mind that a revised contribution would, in fact, enhance enrollment based on numerous conversations I had on the trip. And of course, the American Legion could support the revised schedule contained in H.R. 3180 or H.R. 3208.

In the second area concerning an extended enrollment period—my personal view—we can support an extended enrollment period. My concern in some of the testimony today—it may be, in fact, counterproductive. I think the chairman's suggestion, if we can get that decision made very early in consultation with parents school counselors and other influencers we can support this provision. My overall guidance is to go slow on tinkering with the system.

On the question of transferability, again we have no position. However, I do observe two things. Number one, I think the cost is going to have to be looked at. I would see on transferability probably 98 percent of entitlement would be used somewhere along the line compared to about 66 percent for the Vietnam era.

Additionally, we may be creating a mini-generation out there who will not be motivated because once the transferability occurs, somewhere down the road those kids are not going to be motivated by educational benefits in any way.

As far as on flight training, we currently have no position on flight training.

Basically that's the summary. I apologize for not being here yesterday, but we had our national executive committee meetings in Indianapolis, so I flew back in at 5 this morning.

[The prepared statement of Mr. Schlee appears on p. 233.]

Mr. Dowdy. Thank you very much, Mr. Schlee.

In your written testimony I noted that the Legion supported an extension during the period of time during which a servicemember may make the decision regarding participation in the Montgomery GI Bill. And then I have heard your comments this morning.

I wonder if this extension would not, in effect, convert the program from an opt-out program to an opt-in program and thus weaken the program. Do you think that participation would go up or down as a result of an extension? I realize you have already commented on this, but I wanted to get your thoughts further.

Mr. Schlee. Well, based upon the troops I talked to—that stood out in the notes—they were disoriented during the first 2 to 7 days. They felt they didn't have time. I think that clearly came across from the troops.

I personally think there may also be a down side to this because once those troops start mingling with each other, we get the proverbial lawyers. And I know from my military service, there is a lot of good advice, but a lot of bad advice that troops may have made up their mind and be convinced of to go other ways.

Mr. Dowdy. Did you hear the testimony of the recruiting chiefs this morning, General Ono and his panel?

Mr. Schlee. Yes, sir.

Mr. Dowdy. Based on the testimony that the people from the Air Force—and I can definitely recall the Air Force people saying that they wanted more time. Some of the other witnesses were saying less time. What are your thoughts on allowing in the law flexibility for the different branches to accommodate their own special interest in this area? In other words, the Army is doing a heck of a job. But the Air Force says they would like more time. What would be your thoughts about tailoring the legislation?

Mr. Schlee. I think intellectually tailoring the legislation makes sense. But I go back to a very old Army principle of KISS, "Keep it simple, stupid," because I think if we start altering programs, there may be an awful lot of confusion as kids go to different recruiters of various branches.

Mr. DOWDY. All right. Thank you very much.

Mr. Smith?

Mr. SMITH of New Jersey. Mr. Chairman, I just read the testimony. I have no questions. It's very comprehensive. And thank you for your input.

Mr. SCHLEE. Thank you. It's a pleasure being with you.

Mr. DOWDY. Thank you very much, Mr. Schlee, for appearing on behalf of the American Legion. Give my regards to Jimmy Dean.

Mr. SCHLEE. I saw him yesterday, sir.

Mr. DOWDY. Thank you all for being here today. I think that our hearings have been very productive, and we appreciate your testimony and your input. Thank you again for your participation.

We stand adjourned.

[Whereupon, at 12:17 p.m., the subcommittee was adjourned.]

APPENDIX

100TH CONGRESS
1ST SESSION

H. R. 2950

To amend the Montgomery GI Bill with respect to flight training.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1987

Mr. DOWDY of Mississippi introduced the following bill; which was referred jointly to the Committees on Veterans' Affairs and Armed Services

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A BILL

To amend the Montgomery GI Bill with respect to flight training.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FLIGHT TRAINING UNDER THE MONTGOMERY GI BILL IN TITLE 38.

(a) IN GENERAL.—Section 1434 of title 38, United States Code, is amended—

(1) in subsection (a), by inserting after "1673" the following: "(with the exception of subsection (b))";

(2) by redesignating subsection (d) as subsection (e); and

(3) by adding after subsection (c) the following new subsection:

"(d) The Administrator may approve the pursuit of flight training by an individual entitled to basic educational assistance under this chapter if—

"(1) such training is—

"(A) offered by an institution of higher learning for credit toward a standard college or university degree;

"(B) generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation; or

"(C) generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation;

"(2) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

"(3) the flight school courses meet the Federal Aviation Administration standards and are approved by the State approving agency.".

(b) AMOUNT OF ASSISTANCE.—Section 1432 of such title is amended by adding the following new subsection at the end:

"(d) Each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 1434(d) of this title shall be paid an educational assistance allowance under this chapter to be computed at the rate of 75 per centum of the established charges for tuition and fees which similarly circumstanced nonveterans enrolled in the same flight course are required to pay. No educational assistance allowance for any month shall be paid to an individual under this chapter who is pursuing a program of education consisting exclusively of flight training until the Administrator shall have received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the veteran during that month. In each case the period of entitlement of such individual shall be charged with one month for each payment of an educational assistance allowance to the individual for such course which is equal to the total amount of monthly educational assistance which the individual is eligible to receive under subsection (a)(1), (b)(1), or (c) of section 1415 of this title, as the case may be.".

SEC. 2. FLIGHT TRAINING UNDER THE MONTGMOMERY GI BILL IN TITLE 10.

(a) IN GENERAL.—Section 2136 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting after "1673" the following: "(with the exception of subsection (b))"; and

(2) by adding at the end the following new subsection:

"(c) The Administrator of Veterans' Affairs may approve the pursuit of flight training by an individual entitled to educational assistance under this chapter if—

"(1) such training is—

"(A) offered by an institution of higher learning for credit toward a standard college or university degree;

"(B) generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation; or

"(C) generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation;

"(2) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

"(3) the flight school courses meet the Federal Aviation Administration standards and are approved by the State approving agency.".

(b) Amount of Assistance.—Section 2131 of such title is amended—

(1) in subsection (b) by striking out "Each" and inserting in lieu thereof "Except as provided by subsection (d), each"; and

(2) by adding the following new subsection at the end:

"(d) Each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 2136(c) shall be paid an educational assistance allowance under this chapter to be computed at the rate of 75 per centum of the established charges for tuition and fees which similarly circumstanced individuals enrolled in the same flight course are required to pay. No educational assistance allowance for any month shall be paid to an individual under this chapter who is pursuing a program of education consisting exclusively of flight training until the Administrator shall have received a certificate from the individual and the institution as to actual flight training received by, and the cost thereof to, the veteran during that month. In each case the period of entitlement of such individual shall be charged with one month for each $140 which is paid to the individual as an educational assistance allowance for such course.".

100TH CONGRESS
1ST SESSION

H. R. 3180

To amend chapter 30 of title 38, United States Code, with respect to the Montgomery GI Bill.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1987

Mr. SMITH of New Jersey introduced the following bill; which was referred jointly to the Committees on Armed Services and Veterans' Affairs

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A BILL

To amend chapter 30 of title 38, United States Code, with respect to the Montgomery GI Bill.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERIOD IN WHICH TO MAKE DECISION TO PARTICIPATE.

(a) ACTIVE DUTY PROGRAM.—Section 1411(c)(1) of title 38, United States Code, is amended by striking out the second sentence and inserting in lieu thereof the following: "Any such election shall be made at the close of the individual's basic training period (as defined by the Secretary concerned in accordance with regulations issued by the Secretary of Defense) while on active duty as a member of the Armed Forces.".

(b) SELECTED RESERVE PROGRAM.—Section 1412(d)(1) of such title is amended by striking out the second sentence and inserting in lieu thereof the following: "Any such election shall be made at the close of the individual's basic training period (as defined by the Secretary concerned in accordance with regulations issued by the Secretary of Defense) while on active duty as a member of the Armed Forces.".

SEC. 2. AMOUNT OF CONTRIBUTION.

(a) IN GENERAL.—The first sentence of section 1411(b) of title 38, United States Code, is amended to read as follows: "The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (c)(1) of this section shall be reduced by—

"(1) $100 for each of the first 12 months that the individual is entitled to such pay; or

"(2) $50 for each of the first 24 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.".

(b) CONFORMING AMENDMENT.—The first sentence of section 1412(c) of such title is amended to read as follows: "The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (d)(1) of this section shall be reduced by—

"(1) $100 for each of the first 12 months that individual is entitled to such pay; or

"(2) $50 for each of the first 24 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.".

SEC. 3. TRANSFER OF ENTITLEMENTS TO DEPENDENTS.

(a) IN GENERAL.—Chapter 30 of title 38, United States Code, is amended by adding the following new subchapter at the end thereof:

"Subchapter V—Transfer of Entitlement to Dependents

"§ 1441. Authority to transfer entitlement to dependents

"Under regulations prescribed under section 1442(a) of this title, a member of an Armed Force who is entitled to basic educational assistance may transfer to one or more of such member's dependents all or any part of such member's entitlement to educational assistance under this chapter.

"§ 1442. Regulations

"(a) The Secretary concerned shall prescribe regulations for the transfer of entitlement under this subchapter, and any transfer of entitlement under this subchapter shall be made in accordance with such regulations.

"(b) The Administrator shall prescribe regulations for the administration of the transfer of educational assistance entitlement under this subchapter and for the provision of such assistance to the dependents to whom such entitlement is transferred. In prescribing such regulations, the Administrator may place such limits upon the changing and revoking of transfers of entitlement as the Administrator considers necessary for efficient administration and may provide for any such revocation to be effective at the end of any semester, quarter, or other unit of instruction in which a dependent to whom entitlement had been transferred is engaged in at the time of the revocation.

"§ 1443. Status of dependents to whom entitlement is transferred

"(a)(1) A dependent to whom entitlement is transferred under this subchapter is entitled to educational assistance under this chapter in the same manner and under the same terms and conditions as the individual from whom the entitlement was transferred would be entitled, except that such assistance may only be provided—

"(A) while the individual from whom the entitlement was transferred continues on active duty; or

"(B) upon the death, discharge for hardship or service-connected disability of, or completion of 20 years of active duty (or in the case of an individual who is entitled to basic educational assistance under section 1412 of this title, a total of 20 years of active duty and duty in the Selected Reserve) by, the individual.

"(2) The period of eligibility of a child to whom educational assistance is transferred under this subchapter shall be determined in accordance with section 1712(a) of this title.

"(b) If an individual transfers entitlement under this section to two or more dependents, the educational assistance payable under this chapter shall be divided (1) in such manner as the individual specifies, or (2) if the individual is deceased or is otherwise unable to specify the manner in which the assistance shall be divided, as determined under regulations prescribed under section 1442 of this title.

"(c) Assistance may not be paid under this chapter to an individual who at the time the benefits would otherwise be paid is not a child or spouse or surviving spouse of the individual who transferred the benefits, notwithstanding that the individual was a dependent at the time the election was made to transfer the benefits.

"§ 1444. Definition

"For the purposes of this subchapter, the term 'dependent' means—

"(1) a child of an individual; and

"(2) the spouse or surviving spouse of an individual.".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"Subchapter V—Transfer of Entitlement to Dependents

"Sec. 1441. Authority to transfer entitlement to dependents.
"Sec. 1442. Regulations.
"Sec. 1443. Status of dependents to whom entitlement is transferred.
"Sec. 1444. Definition."

100TH CONGRESS
1ST SESSION

H. R. 3208

To amend chapter 30 of title 38, United States Code, with respect to the Montgomery GI Bill.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 7, 1987

Mr. JONTZ introduced the following bill; which was referred jointly to the Committees on Veterans' Affairs and Armed Services

---

A BILL

To amend chapter 30 of title 38, United States Code, with respect to the Montgomery GI Bill.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Montgomery GI Bill Improvement Act of 1987".

SEC. 2. AMOUNT OF REDUCTION OF PAY.

(a) IN GENERAL.—The first sentence of section 1411(b) of title 38, United States Code, is amended to read as follows: "The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (c)(1) of this section shall be reduced by—

"(1) $100 for each of the first 12 months that the individual is entitled to such pay; or

"(2) $60 for each of the first 20 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.".

(b) CONFORMING AMENDMENT.—The first sentence of section 1412(c) of such title is amended to read as follows: "The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (d)(1) of this section shall be reduced by—

"(1) $100 for each of the first 12 months that individual is entitled to such pay; or

"(2) $60 for each of the first 20 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.".

SEC. 3. TIME PERIOD FOR ENROLLMENT.

(a) IN GENERAL.—The second sentence of section 1411(c)(1) of title 38, United States Code, is amended by striking out "at the time" and all that follows through the period and inserting in lieu thereof "during the period established by the Secretary concerned but not to exceed 60 days after the individual first enters on active duty as a member of the Armed Forces.".

(b) CONFORMING AMENDMENT.—The second sentence of section 1412(d)(1) of such title is amended by striking out "at the time" and all that follows through the period and inserting in lieu thereof "during the period established by the Secretary concerned but not to exceed 60 days after the individual first enters on active duty as a member of the Armed Forces.".

(c) TEMPORARY PERIOD OF ENROLLMENT.—(1) Any individual on active duty in the Armed Forces who made an election under section 1411(c) or 1412(d) of title 38, United States Code, not to receive educational assistance under chapter 30 of such title may enroll in the program established under such chapter during the 60-day period beginning on the date of the enactment of this Act.

(2) For purposes of such chapter, any individual who enrolls in such program during such 60-day period shall be considered to have first become a member of the Armed Forces or first entered on active duty as a member of the Armed Forces as of the date on which such enrollment is accomplished.

SEC. 4. TRANSFER OF ENTITLEMENTS TO DEPENDENTS.

(a) IN GENERAL.—Chapter 30 of title 38, United States Code, is amended by adding the following new subchapter at the end thereof:

"Subchapter V—Transfer of Entitlement to Dependents

"§ 1441. Authority to transfer entitlement to dependents

"(a) Under regulations prescribed under section 1442(a) of this title, the Secretary concerned may authorize a member of an Armed Force who is entitled to basic educational assistance to transfer to one or more of such member's dependents all or any part of such member's entitlement to educational assistance under this chapter.

"(b) Subject to regulations prescribed under section 1442(b) of this title, a transfer of entitlement under this section, once authorized, may be made at any time and may be revoked, in whole or in part, or may be modified at any time.

"§ 1442. Regulations

"(a) The Secretary concerned shall prescribe regulations for the transfer of entitlement under this subchapter, and any transfer of entitlement under this subchapter shall be made in accordance with such regulations.

"(b) The Administrator shall prescribe regulations for the administration of the transfer of educational assistance entitlement under this subchapter and for the provision of such assistance to the dependents to whom such entitlement is transferred. In prescribing such regulations, the Administrator may place such limits upon the changing and revoking of transfers of entitlement as the Administrator considers necessary for efficient administration and may provide for any such revocation to be effective at the end of any semester, quarter, or other unit of instruction in which a dependent to whom entitlement had been transferred is engaged in at the time of the revocation.

"§ 1443. Status of dependents to whom entitlement is transferred

"(a)(1) A dependent to whom entitlement is transferred under this subchapter is entitled to educational assistance under this chapter in the same manner and under the same terms and conditions as the individual from whom the entitlement was transferred would be entitled, except that such assistance may only be provided—

"(A) while the individual from whom the entitlement was transferred continues on active duty; or

"(B) upon the death, discharge for hardship or service-connected disability of, or completion of 20 years of active duty by, the individual.

"(2) The period of eligibility of a child to whom educational assistance is transferred under this subchapter shall be determined in accordance with section 1712(a) of this title.

"(b) If an individual transfers entitlement under this section to two or more dependents, the educational assistance payable under this chapter shall be divided (1) in such manner as the individual specifies, or (2) if the individual is deceased or is otherwise unable to specify the manner in which the assistance shall be divided, as determined under regulations prescribed under section 1442 of this title.

"(c) Assistance may not be paid under this chapter to an individual who at the time the benefits would otherwise be paid is not a child or spouse or surviving spouse of the individual who transferred the benefits, notwithstanding that the individual was a dependent at the time the election was made to transfer the benefits.

"§ 1444. Definition

"For the purposes of this subchapter, the term 'dependent' means—

"(1) a child of an individual; and

"(2) the spouse or surviving spouse of an individual.".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"Subchapter V—Transfer of Entitlement to Dependents

"Sec. 1441. Authority to transfer entitlement to dependents.
"Sec. 1442. Regulations.
"Sec. 1443. Status of dependents to whom entitlement is transferred.
"Sec. 1444. Definition.".

SEC. 5. COMPENSATION IN LIEU OF BENEFITS.

(a) In General.—Subchapter IV of chapter 30 of title 38, United States Code, is amended by adding at the end the following:

"§ 1437. Compensation payment

"(a) The Administrator shall make a payment in an amount described in subsection (c) to an individual—

"(1) who is entitled to educational assistance under this chapter; and

"(2) with respect to whom the Administrator has made a determination that the individual has become so physically or mentally disabled that he is unable to utilize such educational assistance.

"(b) In the event of the death of an individual who is entitled to educational assistance under this chapter the Administrator shall pay the amount described in subsection (c) to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such individual under such individual's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the individual.

"(3) The surviving child or children of the individual, in equal shares.

"(4) The surviving parent or parents of the individual, in equal shares.

If there is not such person living, the Administrator shall pay such amount to the individual's estate.

"(c) The amount of any payment made under this section shall be equal to the amount reduced from the individual's pay under section 1411(b) or 1412(c).

"(d) Any individual to whom a payment is made under this section shall not be entitled to any educational assistance under this chapter on and after the date of such payment.".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item after the item added by section 103(b) of this Act:

"1437. Compensation payment.".

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100TH CONGRESS
1ST SESSION

H. R. 3464

IN THE HOUSE OF REPRESENTATIVES

Mr. JOHNSON of South Dakota introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend title 38, United States Code, with respect to the Montgomery G.I. Bill, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMOUNT OF REDUCTION OF PAY.

(a) IN GENERAL.--The first sentence of section 1411(b) of title 38, United States Code, is amended to read as follows: ``The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (c)(1) of this section shall be reduced by--

``(1) $100 for each of the first 12 months that the individual is entitled to such pay; or

``(2) $60 for each of the first 20 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.''.

(b) CONFORMING AMENDMENT.--The first sentence of section 1412(c) of such title is amended to read as follows: ``The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (d)(1) of this section shall be reduced by--

``(1) $100 for each of the first 12 months that individual is entitled to such pay; or

``(2) $60 for each of the first 20 months that the individual is entitled to such pay,

as determined by the individual in accordance with regulations which the Secretary concerned shall prescribe.''.

SEC. 2. DEFINITION OF PROGRAM OF EDUCATION FOR CERTAIN PURPOSES.

(a) In General.--Section 2131(c)(1) of title 10, United States Code, is amended to read as follows:

``(c)(1) Educational assistance may only be provided under this chapter for pursuit of a program of education that is an approved program of education for purposes of chapter 30 of title 38.''.

(b) Amount of Assistance for Apprenticeship.--Section 2131 of such title is amended--

(1) in subsection (b), by striking out ``Each'' and inserting in lieu thereof ``Except as provided in subsection (d), each''; and

(2) by adding at the end the following new subsection:

``(d)(1) Except as provided in paragraph (2), the amount of the monthly educational assistance allowance payable to an individual pursuing a full-time program of apprenticeship or other on-job training under this chapter is--

``(A) for each of the first six months of the individual's pursuit of such program, 75 percent of the monthly educational assistance allowance otherwise payable to such individual under this chapter;

``(B) for each of the second six months of the individual's pursuit of such program, 55 percent of such monthly educational assistance allowance; and

``(C) for each of the months following the first 12 months of the individual's pursuit of such program, 35 percent of such monthly educational assistance allowance.

``(2) In any month in which an individual pursuing a program of education consisting of a program of apprenticeship or other on-the-job training fails to complete 120 hours of training, the amount of monthly educational assistance allowance payable under this chapter to the individual shall be limited to the same proportion of the applicable full-time rate as the number of hours worked during such month, rounded to the nearest 8 hours, bears to 120 hours.

``(3) For each month that an individual is paid a monthly educational assistance allowance under this chapter, the individual's entitlement under this chapter shall be charged at the rate of--

``(A) 75 percent of a month in the case of payments made in accordance with paragraph (1)(A) of this subsection;

``(B) 55 percent of a month in the case of payments made in accordance with paragraph (1)(B) of this subsection; and

``(C) 35 percent of a month in the case of payments made in accordance with paragraph (1)(C) of this subsection.''.

STATEMENT OF THE HONORABLE TIM JOHNSON BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT THE HONORABLE WAYNE DOWDY, CHAIRMAN OCTOBER 14, 1987

Mr. Chairman, and members of the Subcommittee, I thank you for the opportunity of appearing before you today to discuss amendments to the Montgomery GI Bill. I would like to commend you, Mr. Chairman, for holding this hearing. The Montgomery GI Bill was signed into law this year, and our chairman of the full committee is to be congratulated for his unceasing work in support of the men and women who make up our Armed Services. The GI Bill has been one of the best investments in the future the federal government has ever made. I'm proud to say that my father took advantage of the GI Bill to attend college, and this personal association with the GI Bill has instilled in me a great respect both for the veteran, and for education, and for the federal government. Countless other veterans have used the GI Bill to get their education, and we are here to make sure all military personnel in the future receive the same fair treatment and benefits.

I have sponsored a bill, HR 3464, which would address two specific areas. The first has been suggested by the people the program is intended to benefit, the military personnel. It is also being addressed by other members of this committee. The provision would allow service men and women to have smaller amounts deducted from their pay for a longer period of time. As you can understand, Mr. Chairman, this would ease the burden for the individual without reducing the overall amount paid into the educational program.

The second area addressed is that of education benefits of members of the Selected Reserve Forces. My bill would allow any member of the Selected Reserve to use the GI Bill the same way veterans under title 38 can. Currently members of the Reserve cannot use the GI Bill to attend vocational or technical school. Many of these recruits join the Reserves specifically to take advantage of the excellent technical training they receive; they are unfortunately prohibited from using the GI Bill to continue that technical training at vocational schools. This adjustment would simply put them on equal footing with other veterans and military personnel, ensuring consistency in administration of the education program and fairness in treatment of all military personnel. Since most of these Reserve forces would opt for vocational training instead of college, and since they are part time personnel, the amount of an individual's entitlement would be reduced. This same section was adopted last year as an amendment to HR 3747 by Mr. Daschle, the former chairman of this subcommittee. That bill was marked up out of this subcommittee and subsequently by the full committee. I would respectfully request, Mr. Chairman, that you give the same consideration to these members of the Selected Reserve as is given to other patriotic service men and women.

Thank you again, Mr. Chairman, for giving me the opportunity to appear before you and the subcommittee. I congratulate you for holding this hearing on these needed amendments, and I hope we can act soon to put all military personnel on an equal footing regarding educational benefits.

TESTIMONY BY REPRESENTATIVE DUNCAN HUNTER (CA-45)
BEFORE THE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

October 14, 1987

Mr. Chairman and distinguished Members of the Subcommittee, as a Vietnam Veteran, I appreciate having this opportunity to speak for my fellow veterans to address an oversight which significantly affects those who have so faithfully served their country. I believe that Congress must be diligent in insuring that we provide for those who have sacrificed so much in the defense of the United States.

As you know, the Vietnam Era GI bill was initiated to protect the future interests of, and provide incentives to individuals entering the armed forces. Over the years, these incentives have helped attract the "best of the best," to all branches of the military, so that the United States can continue to enjoy the security and democratic freedoms established by our forefathers.

On June 1, 1987, the President approved H.R. 1085, the New Montgomery GI Bill Continuation Act, as Public Law 100-48. While the New GI Bill, overall, has proven to be a popular and effective program, it has, unfortunately, left a loophole through which certain veterans have fallen - leaving them unable to collect the educational assistance they were promised upon entering the service.

Currently, under the timetable of the Old GI Bill, education benefits are set to expire on December 31, 1989. Those who are eligible to collect under the old bill are veterans who served on active duty for more than 180 continuous days, after January 1, 1955 but before January 1, 1977, and who have been honorably discharged. Also, eligible are those who have served during the same period but who served for 180 days or less because of a service connected disability. Finally, individuals who contracted with the armed forces and were enlisted in a reserve unit prior to January 1, 1977, and who served on active duty for more than 180 days - beginning within 12 months after January 1, 1977 - are eligible.

Each eligible person is entitled to 1 & 1/2 months of educational assistance, for each month of active duty service given after January 31, 1955, up to 45 months. Simply stated, veterans who entered the service prior to January 1, 1977, or after that date due to the delayed entry program, who are honorably discharged from active duty after June 1, 1966, are entitled to educational benefits for 10 years after release but no later than December 31, 1989.

Now, under the New GI Bill, individuals who have enlisted, re-enlisted or maintained status in the active reserves (for no less than 6 years), after June 30, 1985, are entitled to educational assistance benefits of up to $5,040 for undergraduate training at institutes of higher learning. This bill was established to assist in the readjustment of veterans to civilian life following their separation from the military, and to assist in recruiting and retaining high quality personnel by the armed forces.

However, this legislation has overlooked those individuals who, because of their retirement date, will be unable to collect their full educational benefits. For example, if a person retired from the service on May, 1988, he is not eligible to collect educational benefits under the new program. Furthermore, the benefits he is now collecting under the old GI Bill expire on December 31, 1989. This means that he can collect only eighteen months of educational assistance!

Mr. Chairman, I feel we must address this matter. The individuals hit hardest by these provisions are those who stayed in the armed forces and continued to serve their country. The only fault of these individuals is that they should have retired earlier so that they could collect their benefits. I do not believe that such dedication and loyalty to the United States should be repaid with a penality. Without action, those who did not retire on time will suffer from a grave inequity.

As President Reagan so eloquently stated in his Memorial Day address, "...each died for a cause he considered more important than his own life. They didn't volunteer to die; they volunteered to defend values for which men have always been willing to die if need be, the values which make up what we call civilization." I believe if we do not stand by those who have so selflessly stood by their country, if we abandon the promises made to those who would perish to defend this great nation, then surely, we have lost the meaning of the words gratitude and justice.

Finally, one additional point on a similar note. It is my understanding that the Senate may soon be attaching a rider to S.9, the Service Disabled Veterans Benefits Improvement Act, to amend title 38, Chapter 34, United States Code. The problem concerns the 1976 repeal of the Vietnam Era GI Bill and its affect on 1977 & 1978 service academy graduates. The proposed amendment would restore GI eligibility, with regard to educational benefits, to those service academy cadets and midshipman who had entered the armed forces and had made seven-year active duty commitments prior to the 1976 repeal. Furthermore, it is estimated that restoration of these benefits would be very low on the cost scale totaling less than $1 million. I would urge that when this issue goes to conference, that the House support such an amendment.

Again, Mr. Chairman, I feel that we need to ensure that those who have given so much to their country not be penalized for their service. I would hope that, in the coming months, we can correct this inequity.

Mr. Chairman, and honorable Members of this Subcommittee, I appreciate your time and attention. Thank you.

ASSOCIATION OF THE UNITED STATES ARMY

2425 WILSON BOULEVARD, ARLINGTON, VIRGINIA 22201-3385 (703) 841-4300

STATEMENT OF

COLONEL EDWARD P. SMITH, USA RET.

DIRECTOR, MEMBERSHIP SERVICES

ASSOCIATION OF THE UNITED STATES ARMY

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE VETERANS' AFFAIRS COMMITTEE

14 October 1987

Mr. Chairman, Members of this Subcommittee. I am Colonel Edward P. Smith, US Army Retired, Director of Membership Services, of the Association of the United States Army. Thank you for the opportunity to present the views of our 170,000 members to this Subcommittee.

The five issues incorporated in H.R. 2950, H.R. 3208 and H.R. 3180 are important considerations which deserve full debate. We appreciate your interest in soliciting our positions on these and related issues of importance to those who volunteer to serve our country in its Armed Forces.

Of the five issues -- flight training; revision of the contribution schedule; extension of the period in which to enroll; transferability of entitlements to dependents; and compensation payment -- AUSA members strongly support three. At this time I will discuss each.

First, compensation payment. In an earlier hearing, on H.R. 3001, the Association indicated its full support to legislation that would have the Administrator of the Veterans Administration pay a death benefit, in the form of a stipend, to beneficiaries of any Armed Forces member entitled to educational assistance under the Montgomery GI Bill who died while serving on active duty. Because H.R. 3208 incorporates the previously proposed action and wisely expands the list of categories of eligibles for compensation payment to those Armed Forces members who had intended to take advantage of educational assistance, but subsequently were unable to do so because of physical or mental disability, or death, we support, for equality and humanitarian reasons, legislative actions guaranteeing compensation payment to entitled survivors or the individual's estate.

Second, a revised contribution schedule. The practice of requiring those who volunteer to serve their country in its Armed Forces to make a monthly contribution toward their educational training after military service is one that began with the "Post Vietnam Era Veterans' Education Assistance Program." The Association of the United States Army was and continues to be adamantly opposed to this requirement. However, if such contributions must remain a mandatory feature, the Association of the United States Army supports providing alternative contribution schedules, so the recruit may choose a payment method. In addition to offering a reduction in pay of $100 per month for 12 months, AUSA recommends offering a payment schedule of $60 per month for 20 months, as included in H.R. 3208.

Third, the enrollment period. While large numbers of present recruits, in their very first days on active duty, continue to respond positively to the information provided by recruiters, school counsellors, family members, peers and cadre personnel about the importance to enroll and remain enrolled in the GI Bill educational assistance program, the Association of the United States Army supports legislation to allow election to participate to be made as late as the closing date of basic training.

While we concur fully in the Army's current practice to enroll at the reception station, at the same time that new personnel and finance records are created, we nevertheless believe an opportunity should be available at the end of basic training to enroll any trainee who, for any reason, had not previously enrolled.

Before summarizing our position regarding the three bills and concluding, I would like to take advantage of your offer to add to my testimony one other area which we believe would improve the effectiveness of the Montgomery GI Bill. That is to allow Selected Reserve eligibles, under Chapter 106, to use benefits for the same programs as Active Duty eligibles are provided under Chapter 30. Limiting Selected Reserve eligibles to institutions of higher learning for undergraduate study and not allowing pursuit of vocational-technical programs or graduate study is an inequity that fails to accept the realities of today's Total Force concept of the Armed Forces.

In summary, AUSA members welcome and strongly urge passage of legislation to:

-- provide a compensation payment, under the conditions stated in H.R. 3208,

-- permit enrollees to choose a contribution scheduled as proposed in H.R. 3208,

-- allow recruits to make a final decision in which to participate (enroll) at the conclusion of basic training, as included in H.R. 3180, and

-- amend the current bill to make provisions for the Selected Reserve more equitable in comparison with those provided to Active Duty eligibles, particularly as pertaining to attendance at vocational-technical schools and graduate schools.

STATEMENT

BY

NELSON L. FINK

LEGISLATIVE ASSISTANT

MILITARY AND GOVERNMENT RELATIONS

AIR FORCE SERGEANTS ASSOCIATION

BEFORE THE SUBCOMMITTEE

ON

EDUCATION, TRAINING AND EMPLOYMENT

OF

U.S. HOUSE OF REPRESENTATIVES

ON

H.R. 2950
H.R. 3180
H.R. 3208

OCTOBER 14, 1987

Air Force Sergeants Association

INTERNATIONAL HEADQUARTERS, POST OFFICE BOX 50, TEMPLE HILLS, MD 20748

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to present the views of the Air Force Sergeants Association, with respect to the proposed changes to the Montgomery G.I. Bill.

As an incentive to attract quality young people into military service and a prudent investment in our nation's human resources, it would be difficult to design a better program than the New G.I. Bill; however, we feel both H.R. 3180 introduced by Mr. Smith and H.R. 3208 introduced by Mr. Jontz warrant serious consideration as enhancements to make the education benefits more attractive and affordable.

As stated in previous appearances before this subcommittee, we support reducing the member's contribution to $60 and spreading the payments out over a 20-month period. The 60/20 formula is more affordable and insures the member will fulfill his or her financial obligation to the G. I. Bill before any education assistance is authorized.

Based on our observations, as a member of Chairman Montgomery's fact finding trip, extending the consideration period for participation in the G.I. Bill, from the first 14 days of basic training to the end of the basic training period, would give the recruit more time to consider such an important decision. Since the period of basic military training varies between services, we recommend the period of consideration be extended through the fourth week of basic military training to maintain uniformity between services. Further, we would recommend, recruits who do not initially choose to participate in the G. I. Bill program during the established enrollment period be given an opportunity to enroll at a later date.

Our association strongly supports the provision of H.R. 3180 to permit service secretaries to authorize transferability of G. I. Bill benefits to eligible dependents if the service member is discharged under hardship or disability conditions or complete 20 years of active military service.

Additionally, our membership will support the provisions of H.R. 2950 to pay an educational assistance allowance to eligible individuals pursuing an approved flight training program.

This concludes my statement, and again, thank you for this opportunity to appear before this subcommittee. I am prepared to respond to any questions you or your distinguished colleagues wish to ask.

STATEMENT BY
CAPT CHARLES A. BUESENER
U.S. NAVAL RESERVE
DIRECTOR OF LEGISLATION
NAVAL RESERVE ASSOCIATION
TO THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE COMMITTEE ON VETERAN'S AFFAIRS
14 OCTOBER 1987

Mr. Chairman, Committee members, the Naval Reserve Association appreciates the committee's invitation to present our views concerning the proposed legislation which would upgrade the effectiveness of the New G.I. Bill.

The New G.I. Bill has clearly demonstrated its effectiveness to the Naval Reserve and remains the prime mover in our recruiting and retention efforts. Almost six thousand naval reservists are current participants in the program and the trend continues its upward course. Participation, in fact, has more than doubled in the past year. On the retention side of the equation since the New G.I. Bill was enacted, our long term six-year re-enlistments have dramatically increased.

These dramatic improvements could not have come at a more opportune time.

The Naval Reserve has seen, over the past several years, increased tasking and assignment of wartime responsibilities as the Total Force has grown in size and complexity. The Naval Reserve Force today provides 100% of the combat search and rescue, 100% of the light-attack helicopter squadrons, 100% of U.S. based logistic support squadrons, 86% of the cargo-handling battalions, 68% of the Naval Mobile Construction Battalions. In the hyper-critical area of anti-submarine warfare, the Naval Reserve provides 35% of the long range maritime patrol squadrons, 21% of the ASW helicopter squadrons and 26 ASW/AAW Frigates.

By the early 1990's the Naval Reserve will be the 10th largest Navy in the

WORLD. I WOULD HASTEN TO POINT OUT THAT THE NAVAL RESERVE, IN ADDITION TO PROVIDING WARTIME SURGE CAPABILITY IS ALSO A PEACETIME "FORCE MULTIPLIER" WITH RESERVE AIRCREWS AND SHIPS ROUTINELY DEPLOYED FULFILLING THE PEACE TIME OPERATIONAL COMMITMENTS IN SUPPORT OF OUR NATIONAL MARITIME OBJECTIVES.

THE NAVAL RESERVE IS A HIGH-TECH FORCE WITH QUALIFYING TRAINING BEING BOTH EXPENSIVE AND LENGTHY.

AS A RESULT OF THE NEW G.I. BILL OUR LONG-TERM RE-ENLISTMENTS ARE INCREASING AND, FOR THE FIRST TIME, WE HAVE BEEN ABLE TO PENETRATE BOTH THE JUNIOR COLLEGE MARKET AS WELL AS THE UPPER MENTAL GROUPS WHO INTEND TO CONTINUE THE EDUCATION.

IN REGARD TO SPECIFICS REGARDING PENDING LEGISLATION TO AMEND THE MONTGOMERY G.I. BILL:

- HR 2950 THE NRA SUPPORTS THIS EXPANSION OF COVERAGE AND FURTHER RECOMMENDS THAT CONSIDERATION BE GIVEN TO EXPAND COVERAGE TO THOSE TYPES OF VOCATIONAL TRAINING THAT WOULD PROVIDE IMMEDIATE READINESS INCREASE FOR THE INDIVIDUAL IN RELATED MILITARY SKILL REQUIREMENTS.

- HR 3180/3208 THE NRA SUPPORTS BOTH PROPOSED BILLS CONDITIONALLY PROVIDED THAT THE TRANSFER OF ENTITLEMENT TO DEPENDENTS SECTIONS INCLUDE PROVISIONS FOR ENTITLEMENT TRANSFER OPTIONS ARE ALSO FULLY APPLICABLE TO VESTED RESERVE FORCE PERSONNEL.

AGAIN, THE NAVAL RESERVE ASSOCIATION IS MOST APPRECIATIVE OF THIS OPPORTUNITY TO EXPRESS OUR VIEWS, AND APPEAR BEFORE THIS SUBCOMMITTEE ONCE AGAIN.

STATEMENT ON THE EFFECTIVENESS AND IMPLEMENTATION OF THE MONTGOMERY G.I. BILL

H.R. 2950, H.R. 3180 AND H.R. 3208

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS' AFFAIRS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES

14 OCTOBER 1987

BY

ROBERT W. NOLAN

NATIONAL EXECUTIVE SECRETARY
FLEET RESERVE ASSOCIATION

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FLEET RESERVE ASSOCIATION
Serving Career Enlisted Personnel of the
U.S. NAVY • U.S. MARINE CORPS • U.S. COAST GUARD
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INTRODUCTION

Mr. Chairman and members of this distinguished Committee, I am Robert W. Nolan, National Executive Secretary of the Fleet Reserve Association. The FRA is a national military organization comprised of over 153,000 enlisted personnel of the United States Navy, Marine Corps and Coast Guard, active duty and retired. As a retired Navy Chief Petty Officer, it is my privilege to speak for not only my Shipmates of the FRA but for all active duty enlisted personnel of the three Sea Services regarding the implementation and effectiveness of the Montgomery G.I. Bill.

Mr. Chairman, since the overwhelming success of the World War II G.I. Bill, the Fleet Reserve has been a steady and positive advocate of a peacetime program which affords young Americans the opportunity to obtain a higher education in exchange for a stated period of service in our armed forces. Our philosophy has been a little different than most groups in that we represent enlisted Sea Service personnel who by and large serve a full military career. Therefore, the thrust of our endeavors has been to assure that the enlisted military careerist, who is often a "veteran" twice over, receives equitable treatment in pursuing a higher education and training under the G.I. Bill.

The Fleet Reserve Association achieved landmark success twenty-two years ago in its G.I. Bill endeavors when it convinced U.S. Senator Ralph W. Yarborough (D-TX) to amend his bill creating the Cold War G.I. Bill (S-9) to insert the word "LAST" before discharge in establishing that G.I. Bill's termination date. Heretofore, the World War II and Korean G.I. Bills had termination dates of ten years after a service person's first discharge after the date of qualifying for the G.I. Bill benefits. Thus, for the first time, a service person could serve a military career and have the readjustment assistance afforded by the G.I. Bill when he returned to civilian pursuits. A military careerist did not have to abandon his military career to receive a higher education under his earned entitlements of the G.I. Bill.

In 1978, as this Subcommittee considered terminating the Cold War G.I. Bill and instituting the Veterans Educational Assistance Program, "VEAP" in its stead, the Fleet Reserve Association was the only witness to appear before you and request that you consider the military careerists in re-establishing a new termination date for benefits of the Cold War G.I. Bill. Needless to say, in the attempt to achieve the All-Volunteer service force the wishes of the Administration were granted and the FRA lost its fight to protect the enlisted careerist as the law was amended with a new termination date of 31 December 1989.

In the 98th U.S. Congress, as this Committee recognized that the Veterans' Education Assistance Program was not achieving the desired success it should, the FRA again called for a peacetime G.I. Bill encompassing equitable treatment for the enlisted military careerist. You are fully familiar with that struggle for you, with Chairman Montgomery in the vanguard, labored diligently to achieve the final enactment of permanent legislation authorizing the Montgomery G.I. Bill. The Fleet Reserve Association is proud of its endeavors in behalf of the legislation. We bow to no other public group as having a more meaningful role of effective support in the Montgomery G.I. Bill's enactment particularly in the United States Senate.

ACTIVE DUTY PERSONNEL'S EVALUATION OF THE MONTGOMERY G.I. BILL

The acceptability of the peacetime G.I. Bill test and the Montgomery G.I. Bill is clearly evidenced by the enlistment and retention of personnel of high quality and caliber. Statistics, by any measure, prove the effectiveness of the program in both the regular and reserve components.

But even more convincing than the overwhelming numbers, are the comments of active duty personnel we have talked with. Thanks to Chairman Montgomery, the FRA had the opportunity last February to experience the New G.I. Bill's acceptability among recruits of all Services. As you know, we were invited to accompany members of this Committee on a two-day field trip, 12-13 February 1987, to military recruit training centers at Fort Knox, Ky.; Lackland AFB, Tex.,; Orlando, Fla.; and Parris Island, S.C. These visits enabled us to learn first hand what the potential beneficiaries of the G.I. Bill thought of the Program's provisions. We asked those who elected to participate in the program why they did so. Conversely, we asked the non-participants why they did not participate. Across the board, regardless of service, we received the same basic reasons for non-participation. The reasons given in their order of priority were:

- The feeling they could not afford to contribute the required $100 a month for 12 months. Almost all said if this contribution was a smaller amount over a longer period (e.g. $50 a month for 24 months) they would have participated.
- Many felt they did not have enough time in which to consider their decision.
- A few felt that they were going to make the military a career and would not need a college education.
- No refund of the $1,200 contribution seemed to bother a few recruits. It is hard to argue against the common sense logic that it is their money. I suggest that we consider returning the $1,200, less interest, to them when they can no longer qualify to use their G.I. Bill.
- The recruits felt that the "transferability" provision, where the unused G.I. Bill benefits could be passed on to a dependent, would make the law more equitable and increase enrollments in the program.

In expressing these views the recruits' candor was evident. They asked pointed questions of the Chairman and Committee members. It was a most revealing field trip for we learned not only of the G.I. Bill's success, we also learned how to improve the program with practical and yet minor adjustments.

FRA'S VIEWS ON THE PENDING LEGISLATION: H.R. 2950, H.R. 3180 AND H.R. 3208

The Fleet Reserve Association compliments this Subcommittee for its astuteness in drafting the legislation to improve the Montgomery G.I. Bill's implementation and effectiveness. You have addressed all of the negative reasons the recruits gave us last February for the non-participation in the peacetime G.I. Bill. The provisions of H.R. 2950 to allow individuals to use their benefits of the Montgomery G.I. Bill to pursue flight training are basic and contain requirements to protect the program's future integrity from abuse.

The liberalizations offered by H.R. 3180 and those of H.R. 3208 are similar and assure that the Montgomery G.I. Bill becomes in practice a true peacetime G.I. Bill that enhances recruiting and retention for both the regular and reserve components of our Armed Forces. After carefully analyzing the provisions of each bill, the Fleet Reserve Association must wholeheartedly endorse H.R. 3208 because its comprehensive provisions address the correction of the current negative features of the peacetime G.I. Bill law in a more practical manner. The temporary enrollment period in H.R. 3208 can be viewed as a re-enlistment incentive, giving careerists a second opportunity to take advantage of the Montgomery G.I. Bill.

RECOMMENDATIONS TO IMPROVE H.R. 3208 BY ADDING TWO AMENDMENTS

The Fleet Reserve Association strongly recommends the addition of two provisions to H.R. 3208 which will safeguard certain careerists benefits. Please recognize that in the attempt to achieve success in the All Volunteer Force, the enlisted military careerist has been the helpless victim of VEAP, various bonus programs and vacillating compensation policies. Based upon this experience, the military careerist perceives he is the victim of the erosion of benefits.

A very large percentage of active duty personnel recognized the Veterans' Education Assistance Program for exactly what it was, a very poor imitation of the Cold War G.I. Bill. Therefore, they did not elect to participate in that education sham. Because of this, they are not included in the temporary enrollment period as contained in H.R. 3208. The Fleet Reserve Association feels that any such person now serving on active duty most certainly should be included in the temporary enrollment period provided for in H.R. 3208.

Our second amendment would be to include those persons now serving on active duty who are entitled to the benefits of the Cold War G.I. Bill but will forfeit or shorten this entitlement because they have remained on active duty beyond a time that would allow their schooling to be completed before 31 December 1989 when the Cold War G.I. Bill benefits terminates.

These two added provisions would enhance the Montgomery G.I. Bill and enable it to proclaim to all young Americans now serving or considering serving in our armed forces, that service in a uniform of our country and the benefits of higher education go hand-in-hand.

CONCLUSION

Mr. Chairman, as previously stated, the Fleet Reserve Association is indeed proud of its endeavors to assure the enactment of the Montgomery G.I. Bill. But we are even prouder of this Committee because you are not content to rest on the laurels of victory but instead are pursuing a path of improvements for the Montgomery G.I. Bill to assure that it becomes an integral part of the fabric of the American society and serves to make that society doubly strong whether its participants are in or out of uniform.

In sharing your goal we offer this testimony and urge you to seriously consider our recommendations in support of H.R. 2950 and H.R. 3208.

We thank you for the opportunity to express our views today. It is because our representative form of government provides the opportunity to do so that we have willingly devoted a major portion of our adult lives to the defense and perpetuation of that government. On behalf of not only my FRA Shipmates, but our enlisted Sea Service personnel everywhere, I thank you. I will answer any questions you may have to the best of my ability.

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NCOA

THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

NCOA

Statement of

Richard W. Johnson
Director of Legislative Affairs

before the

Subcommittee on Education,
Treasury and Employment
Committee on Veterans' Affairs
U.S. House of Representatives

on

Montgomery G. I. Bill Improvements

October 14, 1987

The Non Commissioned Officers Association of the USA (NCOA®) is grateful for this opportunity to once again meet with the committee to discuss proposed improvements in the Montgomery G.I. Bill. Under specific consideration today are H.R. 2950, a bill which would reopen flight training under certain circumstances, and H.R. 3208, a bill which would allow recruits more time to decide whether to participate in the Montgomery G.I. Bill and more time to make the payments associated with participation. H.R. 3208 would also allow participants in the program to transfer unused benefits to a spouse or child under some circumstances and would allow a surviving spouse or child of a deceased veteran to concurrently receive the benefits of the Montgomery G.I. Bill and the Survivors' and Dependents' Educational Assistance Program. Also on the agenda is H.R. 3180, a bill which would make the same changes proposed in H.R. 3208 and provide a 60 day "open enrollment" period for persons inducted after July 1, 1985 who initially declined to participate. It would also provide for the payment of a gratuity equal to participation fees paid by a veteran who dies or becomes disabled prior to using his or her entitlement.

NCOA® has four priorities for improving the Montgomery G.I. Bill, only one of which overlaps with the proposed legislation. First and foremost, eliminate the participation fee. (Spread participation payments over a longer period only if fee elimination is impossible). Second, extend the benefits of the G.I. Bill to servicemembers who are forced to retire between June 30, 1985 and July 1, 1988. Third, open enrollment in the Montgomery G. I. Bill upon reenlistment to people who initially entered service between January 1, 1977 and June 30, 1985, and to others who initially declined to participate. Finally, make contributions to the program refundable, at least to those who become disabled or to the survivors of those who die while on active duty.

Fee Elimination

Too many servicemembers are prevented from participating in the Montgomery G.I. Bill because they can not afford the pay forfeitures required. This was a recurrent point made by non-participants to the delegation which traveled to military training sites earlier this year. Indeed, married privates, airmen and seamen, need all the money they can earn to support a family notwithstanding the investment potential of the G.I. Bill. Food, housing, clothing -- immediate needs -- all prevent participation in the Montgomery G.I. Bill no matter what it promises for the future. Favoring participants in the program with transferability while others are financially precluded from participation is grossly inequitable since participation, for many, is not a matter of sacrifice so much as it is survival.

NCOA® has been labeled as being against transferable education benefits, but that is somewhat false. NCOA® is against selective transferability, particularly in a program which precludes the participation of many veterans. NCOA® does not believe it is fair, right, equitable or economical to allow transferability only for those who serve in critical military skills. Neither does NCOA® believe it is right, fair or equitable to allow dependent education benefits under a G.I. Bill while so many veterans remain ineligible for its benefits.

Participation fees were not a part of the Montgomery G.I. Bill when it was first proposed. They were added by opponents of the measure hopeful of causing the program's failure. The time for their repeal has come. Their repeal will solve most of the program's® problems such as timing of participation decisions, refunds for the disabled and survivors, payment schedules and accounting problems.

Fees for participation in veteran's programs must come to an end. The one year temporary fee for participation in the veterans' loan guaranty has been increased once and extended several times. Last year the VA began collecting fees for previously free medical care. The last G.I. Bill, euphemistically speaking, cost its participants money. We believe the trend toward charging for veterans' benefits must end.

Career Service Benefits

The Montgomery G.I. Bill was designed to forestall an exodus of career service people who were expected to leave the armed forces in order to use their Vietnam-era G. I. Bill benefits before that program expires in 1989. As a result a potentially critical shortage of professional noncommissioned and petty officers was averted. However, a new problem has become apparent since many of those servicemembers who elected to remain in service are now being forced out of service prior to qualifying for the new G.I. Bill.

In discussing and creating the Montgomery G.I. Bill Congress created a reasonable expectation that servicemembers who joined the armed forces prior to December 31, 1976 would be protected from the loss of education benefits. However the provision for three years of service after July 1, 1985, while well intended, has proved an impossible criteria to achieve for many because of military personnel policy.

The services employ an "up or out" system of retention for its career personnel. Additionally, policy limits the service of enlisted members to 30 years. Thus many servicemembers who are more than willing to fulfill the additional service requirements of the Montgomery G.I. Bill are being forced out at thirty years of service, or at 26 years of service of they serve in the grade E-8, at 24 years in the grade E-7, and at 20-22 years in the grade E-6. No exceptions are made for those who want to qualify for the new G.I. Bill.

NCOA® has had calls of complaint and concern from officers and enlisted members alike. Recently retired Sergeant Major of the Army Glen Morrell is among the prominent. Morrell retired following a distinguished career as the senior enlisted servicemember in the Army. He served in combat in Vietnam. In fact, for thirty years he served this nation under any circumstances, good or adverse, and in anyplace, near or far. Yet after such a long and distinguished career, he is denied the full measure of post service education benefits available to other veterans. Recently an Admiral called our office with a similar concern.

NCOA® urges the committee to waive the three year service requirement for servicemembers who retire for longevity after July 1, 1985. This would not be an expensive proposal, but it would provide justifiable recognition to those professional noncommissioned and petty officers who have served this nation.

Open Enrollment

Prior to the creation of the Montgomery G.I. Bill, the Veterans Educational Assistance Program (VEAP) served as a G.I. Bill for those who enlisted between January 1, 1977 and June 30, 1985. VEAP was a tragedy in both performance and benefits. Few enrolled, even fewer received training under its provisions. The original Montgomery G.I. Bill would have allowed these servicemembers to become eligible for the new program benefits upon reenlistment. An unfortunate modification precluded this and an even more unfortunate omission precluded new enrollments in VEAP for those who had not previously elected to participate. Last year Congress enacted a brief "open enrollment" period for those who wanted to participate in VEAP but did not enroll previously. Nevertheless, this rather poorly publicized program drew few new enrollments. Yet even if it had the desired effect, VEAP remains a poor excuse for a G.I. Bill. As a result a whole generation of soldiers, sailors, airmen, and Marines serve without entitlement to a G.I. Bill.

It was the desire of the original sponsors to include these career servicemembers under the provisions of the Montgomery G.I. Bill. In real terms it will give these veterans the G.I. Bill they never had. Hopefully the committee will consider this and recommend legislation to open enrollment in the Montgomery G.I. Bill to VEAP eligibles who reenlisted for three or more years after July 1, 1985.

This would expand on and fulfill a retention goal of the original legislation. Concurrently NCOA® recommends that enrollment be opened upon reenlistment to servicemembers who initially declined to participate in the new G.I. Bill. This, too, would contribute to retention and would make participation more economically feasible (under current participation rules) for those who could not afford to participate at enlistment.

Refundability

If NCOA®'s arguments for elimination of participation fees have not been persuasive, then we implore the committee to make pay forfeitures refundable at least for those who become disabled and the survivors of those who die while on active duty.

Earlier in this statement NCOA® mentioned the collection of fees for veterans' services. At least the fee collected on home loans makes home ownership possible. Fees for medical care actually buy medical care. Even VEAP contributions were refundable. To NCOA® it is unconscionable for the government to take money for a service never provided. Ideally all veterans should be entitled to a refund of contributions if the benefit is not used. Participation in the Montgomery G.I. Bill is a gamble for an 18 year old and Uncle Sam is the bookie and shill. The shill sells the bet and if a recruit is lucky, life will go just right and the bet will pay off. But a young man's plans can quickly change and the bookie always profits.

Surely government need not profit from its veterans. Unused enrollment fees should be refunded.

Summary

NCOA® does not endorse the passage of any of the bills under consideration by the committee in their current form. The association believes veterans would benefit more from the elimination of fees, from open enrollment in the Montgomery G.I. Bill for those who continue to serve and from benefits to those Vietnam-era veterans forced to retire before becoming eligible for the Montgomery G.I. Bill. Hopefully, the committee will consider these recommendations for veterans during deliberations on improvements in the Montgomery G.I. Bill.

-end-

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"The Servicemember's Voice in Government"
Established 1968

Statement of
Colonel Charles C. Partridge
Legislative Counsel
The National Association for Uniformed Services

Before the
Subcommittee on Education, Training, and Employment
Committee on Veterans Affairs
HR 2950, HR 3208 and HR 3180
to amend the Montgomery G.I. Bill
October 14, 1987

Mr. Chairman, and members of this distinguished panel, I welcome the opportunity to present the views of the National Association for Uniformed Services on proposals to amend the Montgomery G.I. Bill.

The National Association for Uniformed Services' (NAUS) membership represents all grades and ranks of career and non-career service personnel and their spouses and widows. Our membership includes active, retired, and reserve personnel of all seven uniformed services: Army, Navy, Air Force, Marines, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration. With such membership, we are able to draw information from a broad base for our legislative activities.

Mr. Chairman, we think that the Montgomery G.I. Bill in its present form is doing an outstanding job of attracting high quality young people into the military and providing veterans a readjustment benefit. The Montgomery G.I. Bill is working probably even better and more effectively than most of us dared hope. We also recognize that carefully considered changes can make this benefit even more effective and we very much appreciate the opportunity to participate in the process.

Period in which to make decision to participate. Currently the Montgomery G.I. Bill requires that the decision regarding participation be made upon entry on active duty. HR 3208 and HR 3180 would extend the time for the enrollment decision up to 60 days after entry on active duty. We believe the current enrollment process complements and is closely tied to recruiting. It properly places the burden of explaining the G.I. Bill on recruiting personnel prior to the recruits entry on active duty. Thus, the recruit may discuss the G.I Bill with parents, teachers and peers prior to entering on active duty.

During this period he should evaluate the proposal and essentially make his decision before enlisting even though he executes the document later upon entry on active duty. The requirement for an early decision, I believe is one reason for the Army's 93% enrollment rate in August. All the services enrollment rates are increasing. To delay the decision point could very well result in a drop in participation rates. Therefore, I recommend that the decision point remain within the first few days after entry on active duty. However, based on this committees visit to basic training sites in February, it was apparent that a number of recruits regretted opting out of the program. They would have enrolled if given a second chance. NAUS believes this second chance should be given, probably near the end of basic training.

Pay Reduction Period. We support the provisions of HR 3208 which would authorize the individual to elect the current reduction of $100 per month for the first 12 months or to elect $60 per month for the first 20 months. For some service members with family or other financial responsibilities a reduction of $100 per month creates a hardship. The change would allow reduction of the full $1200 from all service members including the two-year enlistee who could be released as early as 20 months at the convenience of the government and still receive full G.I. Bill benefits.

Transfer of Entitlement to Dependents. NAUS supports the proposal in HR 3180 which would authorize a service member to transfer his basic educational entitlement to his dependents. Veterans who elect to make the Armed Forces their profession have little opportunity to accumulate sufficient savings to provide a college education for their children. As a result, many at the mid-career point reluctantly leave the services for higher paying professions so that they can afford to send their children to school. This provision would be very appealing to senior NCOs who are hard pressed today to meet the high costs of college education for their children.

Compensation in Lieu of Benefits. We support the provisions of HR 3208 which would expand HR 3001 introduced earlier and provide compensation in lieu of benefits to the mentally or physically disabled G.I. Bill program enrollee or to his beneficiaries in the event of the service members death. This extension of the provisions of HR 3001 will provide an additional degree of equity and fairness for service members and their survivors by insuring that they do not suffer unexpected economic loss as a result of participation in the G.I Bill program.

HR 2950

NAUS supports the provisions of HR 2950 which would expand the availability of flight training for qualified veterans. The controls established to prevent abuse of the program appear to be a reasonable compromise between making the training available for veterans in pursuit of a vocational endeavor while ensuring that the course is not pursued as a hobby or for frivolous purposes.

Mr. Chairman, our members continue to be interested in the opportunities provided the young men and women of America by the Montgomery G.I. Bill and I very much appreciate the opportunity you have provided to represent them at this hearing.

STATEMENT BY

LIEUTENANT GENERAL LA VERN E. WEBER

EXECUTIVE DIRECTOR

of the

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

to the

Subcommittee on Education, Training and Employment

of the

House Committee on Veterans' Affairs

14 October 1987

Mr. Chairman, and members of the subcommittee, I sincerely appreciate this opportunity to present the views of the National Guard Association of the United States on implementation of the Montgomery GI Bill.

THE ROLE OF THE NATIONAL GUARD

The national defense role of the National Guard is developing into full partner responsibilities as a result of the Total Force Policy established in 1973. Almost 50 percent of the Total Army fighting personnel are in the Army National Guard and approximately 26 percent of the aircraft in the Total Air Force are in the Air National Guard. Representation in specific areas is even greater, with 73 percent of Army infantry battalions and 73 percent of Air Force CONUS strategic interceptor forces in the National Guard. To meet its defense objectives, the nation relies on a well-equipped and well-trained National Guard.

This evolution could not have taken place without the encouragement and support of the Congress. Congressional guidance and resource allocation along with Department of Defense planning and application have forged a stronger partnership and a more ready total force.

MANPOWER

Although equipment and training are essential ingredients of wartime readiness, the most important factor in producing combat-ready National Guard units is the ability to recruit and retain sufficient numbers of high-quality personnel. Through continuous and intensive efforts, the National Guard has been able to meet its manpower goals in recent years. Increased reliance on the Guard will place even greater demands on recruiting and retention efforts. At the end of FY87, the ARNG had attained an end strength level of approximately 453,000. The ANG had achieved an end strength of 114,595. The President's budget has a programmed total end strength of 458,800 in the Army Guard and 116,700 in the Air Guard by the end of FY88. Continued growth is programmed through FY92. Effective recruiting and retention efforts will be critical if we are to achieve the desired strength and maintain the readiness of the National Guard and the Total Force.

RECRUITING AND RETENTION INCENTIVES

There are a number of incentives that have been helpful in achieving required strength goals. They include enlistment and reenlistment bonuses, tuition assistance, and educational loan repayment programs. Some have been developed to serve a special purpose, and are targeted to specific critical skills or occupations, such as medical skills.

The bonus and tuition assistance programs are certainly important parts of the overall incentive package for recruiting and retaining high-quality targeted segments of the civilian population. They have been instrumental over the past few years in helping to reduce the shortage in many critical skill specialties. Their effectiveness has been hampered, however, by the limited period of authorization.

Those incentives that have proven to be effective should be made permanent. The lapse in authority for enlistment and reenlistment bonuses in late 1985 resulted in a great deal of turbulence and confusion. Authority for these programs and the tuition assistance program again terminated on 30 September this year because of the lack of an Authorization Act. It appears that the lapse may be of an even longer duration than experienced in 1985. The indefinite status of these programs is harmful to day-to-day recruiting and retention activities. We would hope that this recurring problem could be resolved.

MONTGOMERY GI BILL

Although it is not targeted toward specific specialties, the Montgomery GI Bill for the Selected Reserve has proven to be a valuable incentive for across-the-board recruitment and retention within the National Guard. By providing education assistance, it serves as a very effective attraction to college oriented individuals. It promotes the

Guard/Reserve all-volunteer program by assisting in recruitment of high-quality personnel. It also improves retention through the six-year enlistment/ reenlistment requirement and by authorizing participation only while in Selected Reserve status.

In FY 1984 prior to the GI Bill, 37 percent of all enlistments and 50 percent of all reenlistments in the Air National Guard were for six years. The FY 1987 percentages, as of 1 September, have increased to 63 percent for enlistments and 61 percent for reenlistments. Since the implementation of the Montgomery GI Bill in July 1985, the ratio for extensions for six years instead of 3 years has risen in the Army National Guard from 3:1 to 10:1. In part, these improvements can be attributed to the GI Bill, as well as increased bonus rates and other factors. Program differences between the Active Duty Chapter 30 program and the Selected Reserve Chapter 106 program make determining the number of Guard and Reserve personnel eligible for the benefit more illusive than for the Active Component. However, the combined participation rate for the Army and Air National Guard shows a rise of approximately 38 percent since January 1987.

A nationwide attitudinal survey was conducted by the National Guard Bureau in late 1986. The survey of 15,000 personnel targeted recruiting and retention personnel, first term enlistees, and retained members. The survey clearly indicated the strong recruiting and retention value of the GI Bill to the personal decisions of soldiers and airmen. The survey showed 58 percent of the respondents considered the GI Bill a factor in enlistment, reenlistment, and extension decisions. Further, 29 percent indicated they would not have enlisted and 19 percent would not have reenlisted/extended without the GI Bill. Clearly the Montgomery GI Bill is accomplishing its goal.

LEGISLATIVE PROPOSALS

The specific bills, HR 2950, HR 3180 and HR 3208, under consideration by this committee are all possible evolutions for the Montgomery GI Bill.

Since these bills have limited impact on the Guard and Reserve community, we will not comment in detail on the specific provisions. We believe several provisions, such as the proposal to stretch out the payments over 20 months, would make the Bill more attractive to the junior grade target group. We also recognize the merits of having transferability provisions under certain circumstances, such as upon service-connected death or disability of service personnel. We would only question the cost effectiveness and valid need for other provisions; however, we defer judgment since they are Chapter 30 proposals relating to the active components.

We would like to take this opportunity to propose an amendment which the National Guard Association believes would improve the effectiveness of Chapter 106 of the Montgomery GI Bill. We believe Guard and Reserve participants under Chapter 106 should be given the same educational options provided to Chapter 30 participants. That is, the program should be expanded to include studies of less than half-time attendance, vocational training, college remedial, deficiency and refresher courses, and graduate studies.

Expansion of the Chapter 106 program would be consistent with the requirements of advanced technology and quality leadership in today's environment. We believe that graduate level benefits would be particularly attractive to the Guard and Reserve participants. They are faced with combined pressures for additional education from their civilian employers and military commanders. A logical secondary by-product of graduate studies coverage would be enhanced employer support because of the quality of individual experience being gained by employees through affiliation with the Guard and Reserve.

The technical advances in equipment and training within the Army and Air National Guard require personnel with advanced levels of experience for successful operation. Some of our vital readiness skills require a hands-on vocational education learning environment rather than academic classroom situations. As has been demonstrated under previous GI Bills, vocational education can be a cost effective avenue to a ready force and an improved civilian workforce.

The increasing demands of readiness training, along with full-time work and family commitment often limit the ability of Guard and Reserve members to devote the necessary time to maintain half-time participation in education programs. Chapter 106 participants should be allowed to use their benefits on less than a half-time basis.

In closing, let me reiterate that the National Guard Association fully supports the Montgomery GI Bill as it is currently written. We also support the desires of the members of this Committee to continually evaluate measures that would strengthen the Bill. For example, the decision by Congress earlier this year to make the legislation permanent has significantly enhanced the program's stability and appeal. This type of commitment from Congress to more effective recruiting and retention programs is, in and of itself, a contribution to morale and readiness. The value to the military and the nation should far exceed the cost of program changes, through higher retention, increased readiness, and eventual pay back through a higher-educated populace.

Mr. Chairman, we are grateful for the support which you and the members of this subcommittee have provided in the past, and we look forward to your continued support of National Guard requirements in the future.

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TESTIMONY
OF THE
ENLISTED ASSOCIATION OF THE NATIONAL GUARD
OF THE UNITED STATES

THE MONTGOMERY GI BILL

BEFORE THE

HOUSE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OCTOBER 14, 1987

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MR. CHAIRMAN, DISTINGUISHED MEMBERS OF THE COMMITTEE, IT IS ONCE AGAIN MY PLEASURE TO APPEAR BEFORE YOU TO SUBMIT TESTIMONY CONCERNING THE MONTGOMERY GI BILL. ON FEBRUARY 18th OF THIS YEAR, I PRESENTED OUR VIEWS ON MAKING THE NEW GI BILL PERMANENT LEGISLATION.

AT THAT TIME, I REPORTED TO YOU THAT A TOTAL OF 25,598 ARMY AND AIR NATIONAL GUARD MEN AND WOMEN WERE PARTICIPANTS IN THE PROGRAM. AS OF 4 SEPTEMBER 1987, THAT TOTAL HAS RISEN TO 35,349, AN INCREASE OF SOME 38 PERCENT IN JUST EIGHT MONTHS. I DO NOT HAVE TO COMMENT FURTHER ON THE VALIDITY OF THE INVESTMENT IN THE MONTGOMERY NEW GI BILL.

JUST A WEEK PRIOR TO MY FIRST APPEARANCE BEFORE THIS COMMITTEE, I WAS PRIVILEGED TO ACCOMPANY CHAIRMAN MONTGOMERY AND A DISTINGUISHED GROUP OF LEGISLATORS, INCLUDING SOME MEMBERS OF THIS SUBCOMMITTEE, CONGRESSIONAL STAFF AND MEMBERS OF RESERVE ASSOCIATIONS ON A FACT-FINDING TRIP TO BASIC TRAINING CENTERS OF THE SERVICES TO WITNESS PRESENTATION OF THE NEW GI BILL TO RECRUITS AND PARTICIPATE IN QUESTION AND ANSWER PERIODS WITH THOSE TRAINEES. TWO OF THE MAIN CONCERNS - REASONS FOR NON-PARTICIPATION AS STATED BY THE TRAINEES AT THAT TIME - WERE THE AMOUNT OF PAY

WITHHELD ($100 PER MONTH FOR 12 MONTHS) FROM PAY OF A BASIC SOLDIER, SAILOR, AIRMAN OR MARINE; AND THE LIMITED AMOUNT OF TIME PERMITTED TO MAKE THIS IMPORTANT DECISION IN A STRESSFUL TRAINING ENVIRONMENT. ANOTHER OFTEN STATED ENHANCEMENT OF THE PROGRAM WAS TRANSFER OF ENTITLEMENTS TO FAMILY MEMBERS.

I BELIEVE THE INTENT AND PROVISIONS OF H.R. 3180 AND H.R. 3208 ADEQUATELY ADDRESS THESE OBSTACLES TO ADDITIONAL EDUCATIONAL PARTICIPATION. WE HAVE NO PREFERENCE BETWEEN THE TWO BILLS AS RELATES TO EITHER STRETCHING OUT THE PAYMENT SCHEDULE, OR IN THE LANGUAGE ON TRANSFERABILITY OF THE ENTITLEMENT. THE TWO BILLS, IN PRESCRIBING A 60 DAY PERIOD OF CONSIDERATION OR, UNTIL THE COMPLETION OF THE BASIC TRAINING PERIOD, ALSO ADEQUATELY ADDRESS THE DECISION TIME-COMPRESSION COMPLAINT. THESE ARE BILLS PERTAINING TO THE ACTIVE FORCES,, AND WE SUPPORT THEM, LEAVING SPECIFIC RECOMMENDATIONS TO THOSE WHO DIRECT THE SERVICES.

LET US TURN FOR A MOMENT TO H.R. 2950 CONCERNING FLIGHT TRAINING. WE SUPPORT THIS BILL ALSO, ESPECIALLY SINCE IT ADDRESSES THE RESERVE COMPONENT ENTITLEMENT UNDER SECTION 2, AND POINTS UP A RECOGNIZED NEED FOR VOCATIONAL TRAINING AS WELL AS ACADEMIC, DEGREE-ORIENTED EDUCATION.

MR. CHAIRMAN, WE BELIEVE VOCATIONAL TRAINING IS ALSO NECESSARY TO ACHIEVE OUR GOALS OF EDUCATIONAL EXCELLENCE AND TECHNOLOGICAL SUPERIORITY INTO THE FUTURE. AFTER WORLD WAR II AND THE KOREAN CONFLICT, MANY OF OUR VETERANS PURSUED VOCATIONAL TRAINING IN ELECTRONICS AND ENGINEERING - THREE-YEAR PROGRAMS AT THE TIME - THAT PREPARED THEM FOR COMPETITION IN THE SCIENCES IN THE POSTWAR YEARS. MANY OF THOSE GRADUATES OCCUPY POSITIONS OF PROMINENCE IN INDUSTRY TODAY. MOREOVER, AMERICA STILL NEEDS SKILLED CRAFTSMEN TO MANUFACTURE AND DESIGN THE TOOLS OF PRODUCTION - WELDERS, TOOL AND DIEMAKERS, SHEETMETAL WORKERS, COMPUTER PROGRAMMERS, MECHANICS, DRAFTSMEN - TO NAME BUT A FEW - TO PUT IDEAS INTO FORM AND PROJECTIONS INTO REALITY. WE NEED TO CONTINUE TO ENCOURAGE VOCATIONAL EDUCATION AS WELL AS ACADEMIC ACHIEVEMENT.

AT OUR NATIONAL CONFERENCE IN LOUISVILLE, KENTUCKY JUST A MONTH AGO, OUR MEMBERSHIP PASSED A RESOLUTION TO THAT EFFECT. A COPY OF THIS RESOLUTION IS ATTACHED FOR THE COMMITTEE'S CONSIDERATION. THE RESOLUTION, IN THE RESOLVED CLAUSE, SPELLS OUT OUR POSITION ON IMPROVEMENT OF THE MONTGOMERY GI BILL FOR THE RESERVE FORCES ENTITLEMENTS. WE BELIEVE THESE ENTITLEMENTS SHOULD BE IDENTICAL TO THOSE UNDER CHAPTER 30 TITLE 38, USC AS FAR AS TYPES

OF TRAINING ARE CONCERNED.

BECAUSE OF THE UNIQUE SERVICE PERFORMED BY MEMBERS OF THE RESERVE FORCES- AS VOLUNTEERS TRAINING TO SERVE THE NATION IN TIMES OF EMERGENCY AND CONFLICT, AND, AT THE SAME TIME PURSUING EDUCATION AND EMPLOYMENT IN THE CIVILIAN MARKETPLACE - THEY OFTIMES MUST PURSUE HIGHER EDUCATION ON A PART-TIME BASIS. WE BELIEVE THEY SHOULD RECEIVE ASSISTANCE ON AN ADJUSTED BASIS FOR THE HOURS THEY COMPLETE IN A LESS-THAN-HALF TIME PROGRAM, PROVIDING THOSE HOURS CONTRIBUTE TO AN ACADEMIC OR VOCATIONAL CERTIFICATE OR DEGREE.

WE BELIEVE, AS WE HAVE STATED, THAT BENEFITS SHOULD BE EXPANDED TO INCLUDE VOCATIONAL AND APPRENTICESHIP TRAINING, AND BE FULLY APPLICABLE TO ALL PHASES OF ACADEMIC EDUCATION INCLUDING ADVANCED DEGREES.

MR. CHAIRMAN, THE MERITS OF THE MONTGOMERY GI BILL CAN BE VIEWED FROM SEVERAL PERSPECTIVES. IT CAN BE VIEWED AS AN INCENTIVE FOR ENLISTMENT OF QUALITY INDIVIDUALS INTO THE MILITARY SERVICES. IT CAN BE VIEWED AS A RETENTION INCENTIVE. AND IT CAN BE VIEWED AS A BRIDGE TO CIVILIAN LIFE AT THE END OF A CAREER - A READJUSTMENT BETWEEN TWO WORLDS. THE MONTGOMERY GI BILL IS ALL OF THESE. IT DOES ALL OF THESE THINGS. BUT WE BELIEVE IT HAS AN ADDITIONAL ADVANTAGE. WE BELIEVE IT SERVES A VITAL NEED OF OUR COUNTRY -

THE NEED TO STAY ON THE CUTTING EDGE OF TECHNOLOGY.

THE OBJECTIVE OF THE MONTGOMERY GI BILL, AND ITS PREDECESSORS BEFORE IT, IN OUR VIEW, IS AND WAS TO ENCOURAGE HIGHER EDUCATION FOR MEMBERS OF THE ARMED SERVICES, THUS SERVING A NEED OF THE INDIVIDUAL AND THE NATION. EDUCATION IS A NATIONAL RESOURCE - ONE THAT MUST BE CAREFULLY NURTURED AND ENCOURAGED FOR OUR CONTINUING NATIONAL WELL-BEING. WE BELIEVE THAT ALL HIGHER EDUCATION - VOCATIONAL AS WELL AS ACADEMIC - PROVIDES FOR THAT WELL-BEING, AND SHOULD BE ENCOURAGED.

WE BELIEVE IT DIRECTLY AFFECTS READINESS, IN THAT EDUCATION AT ADVANCED LEVELS CONTRIBUTE TO MASTERY OF COMPLEX SYSTEMS AND HARDWARE.

THE ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES URGES THE MEMBERS OF THE COMMITTEE TO CONSIDER EXPANDING THE MONTGOMERY GI BILL TO COVER PART-TIME PROGRAMS, VOCATIONAL TRAINING, AND PURSUIT OF ADVANCED DEGREES BY MEMBERS OF THE SELECTED RESERVE. WE VIEW IT AS AN ADDITIONAL INCENTIVE FOR QUALITY PEOPLE TO ENLIST IN, AND REMAIN IN THE NATIONAL GUARD AND RESERVE COMPONENTS. THE POPULARITY OF EDUCATIONAL OPPORTUNITY HAS ALREADY BEEN ESTABLISHED AND HISTORY HAS SHOWN THE NATIONAL BENEFITS DERIVED FROM A GI BILL. WHAT REMAINS TO BE DONE, IN OUR VIEW, IS TO

MAXIMIZE THAT VALUE BY COVERING ALL FORMS OF HIGHER EDUCATION FOR OUR GUARD AND RESERVE 'CITIZEN-SOLDIERS'.

WE IN EANGUS APPLAUD YOUR EFFORTS TO GIVE US THE BEST EDUCATIONAL OPPORTUNITY POSSIBLE. WE APPRECIATE YOUR CONTINUED SUPPORT OF THE GUARD AND RESERVE SOLDIER AND AIRMEN, AND THEIR SPECIAL NEEDS.

MR. CHAIRMAN, I WILL BE HAPPY TO ANSWER ANY QUESTIONS TO THE BEST OF MY ABILITY.

THANK YOU

EANGUS RESOLUTIONS COMMITTEE

87-09

PERTAINING TO: EXPANSION OF THE NEW GI BILL

WHEREAS, Public Law 98-525 enacted in October 1984, amended Chapter 106 of Title 10, United States Code, to establish the Educational Assistance for members of the Selected Reserve, commonly referred to as the 'New GI Bill'; and

WHEREAS, Public Law 100-48 enacted on 1 June 1987 made the Montgomery GI Bill, formerly the 'New GI Bill' a permanent program; and

WHEREAS, Unlike the other educational programs administered by the Veterans Administration which result from qualifying Active military service, the Montgomery bill is an entitlement provided in recognition of the vital role performed by the Selected Reserve of the Ready Reserve of the United States Armed Forces; and

WHEREAS, The Montgomery Bill has proven to be a positive incentive for the recruitment, retention, and education of the members of the National Guard; and

WHEREAS, The ever-increasing demands for advanced education for members of the military are a fact of life; and

WHEREAS, Use of the Montogomery GI Bill by members of the National Guard helps assure the high quality of present and future Guardspersons; and

WHEREAS, Although a valuable program as currently constituted, the National Guard and its members could derive a greater benefit from the Montogomery GI Bill if the educational assistance provided was expanded and made identical to that available under Chapter 30 of Title 38, United States Code; now

THERFORE, BE IT RESOLVED, That the Enlisted Association of the National Guard of the United States, in General Conference assembled in Louisville, Kentucky, this 23rd day of September 1987, strongly supports the expansion of the existing Montgomery GI Bill to include, but not limited to: (1) studies of less than half-time attendance status; (2) vocational training; (3) college remedial, deficiency and refresher courses; and (4) graduate studies.

Testimony of
Benjamin S. Catlin, Assistant Executive Director
Air Force Association

at a Hearing of the
House Veterans Affairs Committee's
Education, Training and Employment Subcommittee

on
The Montgomery GI Bill

Good Morning Mr. Chairman:

It is a privilege for the Air Force Association, which represents a quarter of a million members, to testify before your committee. We appreciate the support this committee has given to veterans and to the men and women of our Armed Forces.

The Air Force Association supported The Montgomery GI Bill and appreciates this opportunity to present recommendations to make an already excellent piece of legislation -- even better.

The Air Force Association at its 1986 Convention passed a Policy Paper which states, "The Air Force Association supports: Establishing a permanent educational assistance program developed to meet quality manpower needs over the long term, including the Air National Guard and Reserve components."

As we testified in February of this year, there should be a few changes to the GI Bill. Therefore, we support the following changes:

- Reducing the monthly pay roll deduction from $100 per month for 12 months to $60 per month for 20 months.
- Extending the period to "opt out" of the program from 14 days after entry on active duty to 30 days.
- Having transferability of educational benefits to dependents come into play at the 8-12 year point with the secretarial discretion to apply it to selected career fields. This feature would help the Air Force retain those critical skills which are so necessary to a highly technical fighting force.
- Providing a limited opportunity (60 days) for those who opted out of the GI Bill to change their election.
- Allowing member of the Guard and Reserve to use their benefits for the same programs as the active force members. This would allow the Guard and Reserve to use their benefits for vocational/technical programs, correspondence, or graduate study.
- Allowing prorated benefits to Guard and Reserve members who attend school on less than a half time basis.
- Allowing service members who chose not to enroll in the montgomery bill the opportunity to enroll during a 60 day period after enactment of the bill.

The Air Force Association believes The Montgomery GI Bill is a basic benefit which is based on faithful and honorable service, and that these changes will make it more profound.

Mr. Chairman, this concludes my brief prepared statement. Again, I thank you for the opportunity to testify, and I am ready to address your questions.

STATEMENT OF THE MILITARY EXECUTIVE
OF THE RESERVE FORCES POLICY BOARD,
OFFICE OF THE SECRETARY OF DEFENSE

MAJOR GENERAL WILLIAM R. BERKMAN
UNITED STATES ARMY

BEFORE THE SUBCOMMITTEE ON EDUCATION,

TRAINING, AND EMPLOYMENT OF THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

FIRST SESSION 100TH CONGRESS

OCTOBER 14, 1987

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE VETERANS' AFFAIRS COMMITTEE

Mr. Chairman and members of the Committee:

On behalf of Chairman Will Hill Tankersley and the members of the Reserve Forces Policy Board (Board) it is a pleasure to be here at your invitation to present the views of the Board on some of the amendments being proposed to the Montgomery GI Bill.

The reserve components are essential elements of the Total Force upon which our country relies for national security. Achieving and maintaining required readiness of National Guard and Reserve units requires qualified men and women who are well trained and physically fit to fight and win.

The Board has consistently supported the Montgomery GI Bill as being in the best interest of our country. It provides a much needed incentive for recruiting and retaining young men and women for the Total Force. At its quarterly meeting earlier this year, in March, the Board passed the following resolution.

> "Our national security policy to maintain peace through deterrence and to protect U.S. interests anywhere in the world requires strong, fully-manned armed forces consisting of Active and Reserve Component personnel. The Montgomery GI Bill of 1984 is an excellent recruiting aid which must become a permanent incentive. It is a "Nation Strengthening" educational incentive which provides ambitious, patriotic young men and women financial support necessary for increasing college expenses.
>
> "This bill will help the Armed Forces through the vicissitudes of the difficult recruiting years, which are predicted in the early 1990's according to current demographic analyses.

> "The Board, as the 'principal policy adviser to the Secretary of Defense on matters relating to the reserve components' (10 USC 175 (c)), strongly urges the Congress to support the bill and make it permanent law."

The Board appreciates the efforts of you, Mr. Chairman, and members of this Committee and Congress that have made the Montgomery GI Bill permanent.

The Board has considered the proposed amendments to the Montgomery GI Bill relating to the reserve components which are the subject of these hearings . It is the Board's position that amendments which would expand coverage to permit vocational training and graduate educational assistance are extremely worthwhile. They would make the Montgomery GI Bill an even more effective incentive for recruiting and retaining highly qualified young men and women into the selected reserve force of our nation.

As the Board's recommendation stated, The Montgomery GI Bill is "Nation Strengthening". Many of the amendments under consideration will make it even more effective.

Thank you Mr. Chairman

Statement of

Colonel C. Judson Lively, Jr., USA (Ret.)

Director Retirement Affairs

Reserve Officers Association of the United States

Before the

Subcommittee on Education, Training, and Employment
Committee on Veterans Affairs

Concerning Legislation to amend Title 38, United States Code
known as the Montgomery G. I. Bill

October 14, 1987

Mr. Chairman and Members of the Committee:

Thank you for providing this opportunity to represent the many men and women from all of the uniformed services who are members of the Reserve Officers Association (ROA).

ROA would also like to thank this Subcommittee for the actions that it has taken in the past in providing educational opportunities for our military personnel, both active and reserve, and we appreciate having the opportunity today to comment on proposed legislative changes to this important program.

As you know, ROA worked with many of you to make the New GI Bill legislation a reality. We supported the test program which was established some three years ago. And again earlier this year we worked with you in support of legislation to make the New GI Bill permanent legislation. We were most gratified to see the Congress enact and the President sign into law H.R. 1085 which provided for this permanent entitlement.

From all reports that the Reserve Officers Association has received the new Montgomery GI Bill is having a positive impact on the quality of recruits entering both the active and reserve forces. As we have testified in the past, certain minor shortcomings are becoming evident which deserve further legislative attention. Thus, at our annual national convention this past July, the membership endorsed the need for certain improvements. A copy of that resolution is attached to my testimony. The Reserve Officers Association, in its recently adopted resolution, supports a legislative change which would permit reservists to use the Montgomery GI Bill for post graduate training. We believe this would be an incentive to attract and retain college graduates into reserve programs. In addition, we believe that the new GI Bill legislation should be modified to permit the refund of the member's costs if the service member, due to death or other cogent reasons, is unable to use the benefit. This legislative fix is contained in one of the bills you currently have under consideration, H.R. 3208. The last area that ROA went on the record as supporting is the recognition of on the job training, correspondence schools, and apprenticeships, as authorized programs under the new GI Bill. This aspect of ROA's resolution addresses the fact that there are many skilled, technically oriented positions within the reserve where such training courses could be utilized to raise the overall effectiveness of the reserve components.

We realize that there are several other issues which the Committee will address in the bills presently before it (H.R. 2950, H.R. 3180, and H.R. 3208). However, the Reserve Officers Association has not taken an official position on the other provisions contained in these proposals. We do recommend that this Committee work with the uniformed leadership of the services in adopting, rejecting, and/or modifying these other provisions so that the final legislative package presented to the Congress will best meet the personnel needs of the separate services, both in their active and reserve components.

Thank you for the opportunity to present ROA's views. Your continued support of the men and women who are wearing and who have worn the uniform of our country, both active and reserve, is deeply appreciated. I will be happy to answer any questions you may have.

Resolution No. 87-22
(Military Compensation/Benefits)

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

The New GI Bill

WHEREAS, the FY85 Defense Authorization Act (PL98-525) provided for establishment of a new educational assistance test program effective through 30 June 1988 for Active and Reserve Components; and

WHEREAS, the President has signed into law HR 1085 (PL 100-48) which makes permanent the New GI Bill entitlement; and

WHEREAS, this permanent legislation does not permit Reservists to use the GI Bill for post graduate training which would be an incentive to attract and retain college graduates into Reserve programs; and

WHEREAS, the New GI Bill legislation contains no provisions permitting a refund of the member's cost even if the service member, due to death or other cogent reasons, is unable to use the benefit (applicable only to the Active Component); and

WHEREAS, on-the-job training, correspondence schools, and apprenticeships are not authorized training courses under the New GI Bill;

NOW, THEREFORE, BE IT RESOLVED, that the Reserve Officers Association of the United States, chartered by Congress, urge the Congress to make such legislative improvements as are required to permit the New GI Bill to be used by Reservists for post-graduate educational purposes, to permit the refund of the contribution in the event of death or other qualifying reasons, and to recognize on-the-job training, correspondence schools, and apprenticeships as authorized programs under the New GI Bill.

(This supersedes Resolution No. 86-6)

Adopted by the National Convention
4 July 1987

Attest: Evan L. Hultman
Evan L. Hultman
Major General, AUS (Ret.)
Executive Director

THE
RETIRED
OFFICERS
ASSOCIATION
201 N. Washington St., Alexandria, VA 22314-2529 • (703) 549-2311

Statement of

THE RETIRED OFFICERS ASSOCIATION

before the

SUBCOMMITTEE on EDUCATION, TRAINING and EMPLOYMENT

of the

HOUSE VETERANS AFFAIRS COMMITTEE

Presented by

Commander John F. Wanamaker, USN-Retired

Deputy Director, Legislative Affairs

October 14, 1987

A Tradition of Service . . . Since 1929

Mr. Chairman and members of the Committee:

I am Commander John Wanamaker, USN-Retired, Deputy Director of Legislative Affairs for The Retired Officers Association (TROA), which has its national headquarters at 201 North Washington Street, Alexandria, Virginia. Our Association has a membership of more than 351,000 active duty, retired and reserve officers of the seven uniformed services. Included in our membership are 49,000 auxiliary members who are the survivors of former members.

My purpose today is to provide the Committee with our Association's views on the various legislative initiatives being considered to make improvements in the Montgomery G.I. Bill. This Committee and especially the members of this Subcommittee are to be commended for their earlier actions in this first session of the 100th Congress by the enactment of P.L. 100-48 which made permanent the Montgomery G.I. Bill.

Earlier this year our President, Vice Admiral Thomas Kilcline, USN-Retired, visited various military installations along with representatives of other military associations and a Congressional delegation to see firsthand the reaction of our young recruits to this important educational incentive. I would like to share his observations with you:

- The new recruits, though not aware of specifics, know that military service will help them get an education.
- Most new recruits give the impression that they are seriously looking for a college education.
- The more serious recruit is aware of the New G.I. Bill.
- As explained to recruits, the new G.I. Bill is attractive. Most want it.
- The Services were supportive. They sell it as hard as they can without risking a backlash.
- The Army and Air Force Reserves seem to be almost 100 percent involved in the program. There is no doubt that the New G.I. Bill is absolutely essential for the continued high level of enlistments in the reserve.
- There was no perception of opposition. Those not enrolled were not able to afford the $1,200, did not feel they wanted that much or kind of education, or felt they were close enough to a degree to be able to complete it while in service by using the Tuition Assistance Program.

- There were some (about 10 percent) who were not able to afford the $100 per month reduction in pay who would seriously consider participating in the program if payments were stretched out to $50 per month for 24 months.

- Many who had little previous knowledge of the New G.I. Bill (10-15 percent) were uncomfortable making the decision to commit $1,200 without more thought, study or advice.

- Many were concerned about the non-refundability of the $1,200 commitment.

- The nuclear power recruits in the Navy were different. Almost all have some college. All have six-year enlistments. Many are sure they can get their degree in that time frame--and they probably will.

- The Air Force recruits seemed much more oriented toward an education (rather than training) program. Their assignments are already known, and they will have the stability in assignments to afford them good opportunities for schooling.

- The Army has a fine program assisted by a very well funded recruiting program and clearly leads the way in enrollment.

Based on these observations, our Association believes that certain actions could be taken to make an excellent program even better. H.R. 3180 and H.R. 3208, two bills currently before this Committee for consideration, would modify the reduction in pay schedule for those who participate in the Montgomery G.I. Bill program. We believe the $1,200 contribution by a servicemember toward his/her future education demonstrates a good faith commitment and this feature should be maintained. However, the $100 per month reduction in pay for some members is excessive. It is recommended that current law be changed to authorize a participant to spread out the $1,200 contribution payments over the length of his/her enlistment or length of service obligation. Provisions should be made to provide the Service secretaries the flexibility to authorize eligibility to those serving on active duty since the initial effective date of the Montgomery G.I. Bill, and who originally elected not to participate, to reconsider enrollment in the program. This flexibility could be limited to the requirement that the individual have obligated service remaining of at least two years, or that his/her election be accompanied with an agreement to extend his/her obligation to complete at least two years of service following such election.

H.R. 3208 further authorizes a servicemember to transfer entitlement of the Montgomery G.I. Bill to dependents. Recently enacted legislation significantly reduces the lifetime value of military retired pay and is expected to have a corresponding effect on retention. This reduction in retired pay will be especially severe for those who transition to civilian life at the completion of twenty years of military service. This also is the point that the majority experience the burden of providing a college education for their children. It's our firm belief that a new incentive will be essential to offset the diminished value of military retired pay and to facilitate the adjustment to civilian life after a military career. Therefore, our Association would support the transferability of the Montgomery G.I. Bill entitlement to a servicemember's dependents but request that an additional restriction be imposed beyond that contained in H.R. 3208. We believe that a spouse should be married to the servicemember for a period of not less than five years coinciding with active duty service.

We recommend this transferability be authorized only for those electing to serve a total of not less than twelve years, demonstrating their intention to make the military their professional career.

Mr. Chairman, anytime a program such as the Veterans Administration's educational assistance program is established, the expectations of those who provided service in order to receive those benefits should be faithfully honored. Subsequently changing the rules, imposing delimiting dates, or terminating programs making it impossible for an individual to benefit from a program from which he expected to receive such benefits, should be avoided. I would like to bring to the Committee's attention two situations where arbitrary changes to VA educational assistance programs shattered the expectations of those few involved.

As an example, servicemembers with as much as 20 or more years of service who are forced to retire prior to 30 June 1988 are only eligible for the provisions of Chapter 34, the "old G.I. Bill" which expires December 31, 1989, the delimiting date for that program. This creates an inequity since servicemembers who are not forced to retire until after June 30, 1988 earn educational entitlements under the Montgomery G.I. Bill. In fact, this delimiting date provides greater benefits to servicemembers with as little as three years of service than some who have faithfully served this country for 30 or more years.

I have attached a four-page summary of the problem, along with suggested solutions, to this statement.

Another example of an abrupt change involves those who had committed themselves to military service along with the expectation of receiving Chapter 34 V.A. educational assistance. This is particularly applicable to the 1977 and 1978 classes at the various military academies. In 1976 the Vietnam Era G.I. BIll was prospectively repealed. This adversely affected those service academy cadets and midshipmen who had entered the armed services and had made seven-year active duty commitments prior to the 1976 repeal. In many cases, these commitments were based upon, among other considerations, the expectation of G.I. BIll eligibility. While it is quite clear from the legislative history that Congress did not intend to retroactively exclude any servicemembers from the Vietnam Era G.I. Bill, the 1976 repeal inadvertently failed to protect the interests of academy cadets and midshipmen.

In the last Congress, the Veterans Administration submitted legislation, with the support of this Administration, to correct this inequity. However, for reasons unknown, no action was taken. According to the best available data, the cost of restoring eligibility to the two affected classes would be minimal. Considering the gross inequities involved and the minimal costs, I would hope that the attached proposed amendment would be included as a rider to legislation to make improvements to the Montgomery G.I. Bill.

This concludes my statement. I will attempt to answer any questions that the members of the Committee may ask.

2 Enclosures:

1. Adjustments to New G.I. Bill
2. Proposed Amendment

ADJUSTMENTS REQUIRED TO THE "NEW G.I. BILL"

ISSUE

The "New G.I. Bill", Chapter 30 of Title 38 U.S.C.A., provides educational benefits for servicemembers who entered the Armed Forces after July 1, 1985 and certain veterans eligible under previous G.I. bill statutes. However, the provisions of the "New G.I. Bill" fail to cover certain other veterans who have long periods of active duty and retire prior to attainment of the eligibility date of 30 June 1988. This eligibility delimiting period provides greater benefits to service members with as little as three years of service than some who have faithfully served this country for 30 or more years. An adjustment to the provisions of the New G.I. Bill statute would rectify this inequity.

BACKGROUND*

Congress has over the years enacted a series of laws, popularly known as "GI Bills", covering veterans of World War II, the Korean conflict, the Post-Korean Period, and the period of Southeast Asia hostilities, respectively. A major aim of these "Bills" was, and is, to provide education and training opportunities to affected personnel.

The World War II educational benefit consisted of payments by the Government on behalf of a veteran pursuing a course of education or training, for books, tuition, and customary fees, not to exceed $500 for an ordinary school year. In addition, a subsistence allowance was paid directly to the veteran. The period of entitlement to education benefits was determined by the length of the veteran's World War II service, with a four year maximum period of entitlement. With minor exceptions, this program ended July 25, 1956.

The education benefits made available to veterans of the Korean conflict, unlike the World War II program, did not permit payment to the educational institution for tuition, books, etc., but limited the benefit to the stipend paid directly to the veteran. The period of entitlement to educational benefits was determined by the length of the veteran's Korean conflict service, with the maximum period of entitlement generally being three years. For the purpose of this program, the "Korean Conflict" was considered to have started June 27, 1950 and to have ended January 31, 1955, except that, for persons on active duty on January 31, 1955, the ending date was postponed until the date of such person's first discharge or release from active duty after January 31, 1955. Under any circumstances, however, payment of educational assistance based on Korean-conflict service terminated January 31, 1965.

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*Source: The background section of this paper was extracted from the Department of Defense Military Compensation Background Papers, Third Edition, June, 1987.

The Veterans' Readjustment Benefits Act of 1966, as amended, is the basic "G.I. Bill for veterans of the post-Korean "Cold War" and the period of Southeast Asia hostilities. Under this Act, an educational assistance allowance could be paid (by the Veterans' Administration) to (1) an other-than-dishonorablely-discharged veteran who had served on active duty for more than 180 days any part of which occurred after January 31, 1955, or who, regardless of length of service, had been discharged or released from active duty after such date for a service-connected disability of (2) an individual who had served more than 180 days in an active-duty status for so long as he continued on active duty without a break therein.

The period of entitlement to educational benefits under this program was determined by the length of the veteran's active service during the post-Korean period and the period of Southeast Asia hostilities, with entitlement to assistance for one and one-half months (or the equivalent in part-time assistance) accruing for each month of active service after January 31, 1955. However, once a veteran had served a period of 18 months or more on active duty after January 31, 1955, and had been released from such service under conditions that would satisfy his active duty obligations, he was entitled to educational assistance for a period of 36 month, with 9 months of additional entitlement for use in pursuing a program leading to a standard undergraduate college degree.

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 established a new "G.I. Bill" for, in the main, persons who served on active duty for 180 or more days between January 31, 1955, and January 1, 1977. To be eligible, a veteran must either have been discharged or released from active duty under conditions other than dishonorable or because of a service-connected disability. Eligible veterans are entitled to one and one-half months of educational assistance for each month (or fraction) of active duty during the qualifying period. In general, a veteran must make use of his educational assistance entitlement within ten years of his last discharge or release from active duty. Monthly rates for educational assistance allowances vary depending on the type of training the recipient is getting (institutional or cooperative), the amount of time the recipient is spending on the program (full time, three-fourths time, or half time), and the number of dependents the recipient has.

The Veterans' Educational and Employment Assistance Act of 1976 replaced the preexisting veterans' educational assistance program with the so-called "Post Vietnam Era Veterans' Educational Assistance Program" (VEAP). As adopted, VEAP provides educational assistance to all members of the armed forces first entering military service on or after January 1, 1977, whereas the preexisting GI bill continues to apply to all personnel who first entered the service before that date.

While VEAP is in many respects similar to earlier veterans' educational assistance programs, it differs in several important respects. Whereas earlier programs had been more or less automatic in their application, VEAP is contributory, with contributions by a servicemember being a condition of entitlement. The Department of Defense matches a servicemember's contributions on a $2 for $1 basis. The maximum educational benefit available under basic VEAP is $8,100, $2,700 of which is contributed by the servicemember. The servicemember's contribution may be made monthly, at rates varying from $25 to $100 per month, or in a lump sum paid before the end of the member's first term of obligated service, but no matter how the contribution is made, it may not exceed $2,700 in the aggregate.

The Veterans' Educational Assistance Act of 1984 (the Montgomery G.I. Bill) established two new educational assistance programs for military personnel and former military personnel: "All-Volunteer Force Educational Assistance Program" and "Educational Assistance for Members of the Selected Reserve".

The All-Volunteer Force Educational Assistance Program consists of a number of integrated provisions. The basic benefit accrues at the rate of $300 per month for military personnel who serve on active duty for three years and at the rate of $250 per month for personnel who serve on active duty for two years. In both cases, the benefits are payable for a maximum of 36 months. New entrants are ultimately covered unless they elect not to participate.

The Educational Assistance Program applies to persons who first become members of the Armed Forces or who first enter on active duty on or after July 1, 1985, but before July 1, 1988.

The Veterans' Educational Assistance Act of 1984 also established an educational assistance benefit specifically for members of the Selected Reserve. Under this later program, members of the Selected Reserve receive a $140 per month entitlement for up to 36 months of benefits. To qualify, an individual is required to enlist, reenlist, or extend an existing enlistment for a six-year period in the Selected Reserve. The program is limited to high school graduates or persons who have received equivalency certificates by the completion of the required period of initial active duty for training. The amount of the entitlement is $105 per month for persons pursuing education on a three-quarters-time basis and $70 per month for half-time.

Like the All-Volunteer Force Educational Assistance Program, the program for members of the Selected Reserve applies during the period of July 1, 1985, to June 30, 1988.

These programs were made permanent by the Montgomery G.I. Bill Act of 1984.

PROBLEM

Although certain specified veterans who are eligible under the Vietnam Era G.I. Bill also are eligible for benefits under the Montgomery G.I. Bill, certain others with extensive military service are not. For example, servicemembers with as much as 30 or more years of service who retire prior to eligibility date of 30 June 1988 for Chapter 30

(Montgomery G.I. Bill) are only eligible for the provisions of Chapter 34, the "old (Vietnam Era) G.I. Bill" which expires in December 1989. Under the current eligibility rules of the existing statutes, affected servicemembers would have had to stop serving their country in 1985 take full advantage of the educational entitlements the government committed to them at the time they entered the service. This group who chose to continue to serve their country above exercising post-service benefits, quite naturally expected that the country would honor its commitment to them whenever they completed their faithful service. This reasonable expectation is supported by Congressional enactment of Chapter 30 of the "New G.I. Bill" which provides 36 months of educational benefits for individuals who enter the service in July 1985 and remain on continuous active duty through June 1988 as a minimum. The built-in inequity then is that a person only eligible under Chapter 34, with many years of service, retiring after December 1986, has less benefits than a person who is on active duty for three years from June 1985 to June 1988. Additionally, as the retirement dates of the affected servicemembers move closer to June 1988, their opportunities for receiving benefits under Chapter 34 diminish and the inequity becomes greater. Compounding the inequity, many servicemembers in this situation will reach their high year of tenure and be forced to retire prior to 30 June 1988. These individuals will be denied the opportunity to earn entitlements under the Montgomery G.I. Bill. Many, by virtue of their long-standing military service, are either Korean or Vietnam (or both) veterans.

SOLUTIONS

o Extend the provision of Chapter 34 to 1995 which would provide for the full eligibility under Chapter 34 for those who retire prior to 30 June 1988 and are only eligible for Chapter 34 provisions.

o Extend the eligibility provisions of Chapter 30 to all personnel currently on active duty who are eligible for Chapter 34 but not eligible under Chapter 30.

AMENDMENT PROPOSED BY THE RETIRED OFFICERS ASSOCIATION

To amend title 38, United States Code, to treat individuals who had commenced the third academic year as a cadet or midshipman at one of the service academies before January 1, 1977, as veterans of the Vietnam Era for purposes of eligibility to educational assistance under Chapter 34 of such title.

Section 1. (a) Section 1652(a)(1) of title 38, United States Code, is amended--

(1) by striking out the period at the end of clause (C) and inserting in lieu thereof "; or"; and

(2) by adding at the end of such section the following new clause:

"(D) had served as a cadet or midshipman at one of the service academies and had commenced the third academic year at one of the service academies before January 1, 1977, if

(i) the individual's service as a cadet or midshipman at one of the service academies led to graduation,

(ii) the individual served on active duty for a period of more than 180 days after graduation, and

(iii) the individual was discharged or released from active duty under conditions other than dishonorable."

(b) Section 1652(a)(2) of title 38, United States Code, is amended by striking out "or (B)," and inserting in lieu thereof ",(B) or (D),".

Section 2. (a) The Amendment made by the first section of this Act shall be effective as of January 1, 1977.

(b) An individual who is eligible for educational assistance by reason of the amendment made by the first section of this Act, and who enrolled in the educational benefits program under chapter 32 of title 38, United States Code, before the date of enactment of this Act, may elect to be disenrolled from such program in accordance with subsection (d) of this section. Any amount contributed by such individual to the Post-Vietnam Era Veterans educational Account shall be refunded within 60 days of receipt by the Administrator of an application by such individual for refund. If such individual has already drawn chapter 32 educational benefits, the refund shall also include the difference between what the individual has already received and what the individual would have received under chapter 34. Any amount contributed by the Secretary of Defense to the Post-Vietnam Era Veterans Educational Account on behalf of such individual pursuant to section 1622(c) of such title shall be refunded to the Secretary within ten days after the date of mailing of a refund to such individual.

(c) An individual who is eligible for educational assistance by reason of the amendment made by the first section of this Act, and who has already incurred educational expenses at a qualified educational institution without having enrolled in the educational benefits program under chapter 32 of title 38, United States Code, may apply for chapter 34 educational assistance for the educational expenses already incurred.

(d) In order for an individual who would otherwise be eligible for chapter 34 educational assistance by reason of the amendment made by the first section of this Act to become eligible for chapter 34 educational benefits, he must affirmatively elect such eligibility, and file such election with the Veterans Administration before the expiration of the Vietnam Era G.I. Bill. Any individual who makes the election provided for in this subsection shall be ineligible for assistance under chapter 32. Such an election is irrevocable.

STATEMENT BY

ALBERT H. FRIEDRICH

PAST NATIONAL PRESIDENT

NAVY LEAGUE OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

ON THE

MONTGOMERY GI BILL

October 14, 1987

Testimony of Albert H. Friedrich, Navy League of the US, October 14, 1987

Mr. Chairman and members of the Subcommittee:

The Navy League of the United States has strongly supported the Montgomery GI Bill from its inception, and we are pleased to appear before this subcommittee to comment on the resolutions proposing to fine tune certain features of this outstanding legislation.

As a member and past National President of the Navy League, I am here today representing more than 61,000 Americans dedicated to the support of a strong military which depends on the availability and recruitment of our nation's young men and women. I should point out that, unlike other military support organizations, none of the Navy League's members is on active duty with any branch of the Armed Services; nor is the League an organization restricted to retired or former members of the military. In fact, more than fifty percent (50%) of our members have never served in the Armed Forces. Navy Leaguers are ordinary citizens from all walks of life who are convinced that this nation needs a strong and viable Navy, Marine Corps, Coast Guard and merchant marine. Our objectives are education and motivation -- to awaken interest, to encourage cooperation, and to support all matters which aid and improve our maritime capabilities.

The Navy League is dedicated not only to a strong defense but to ensuring that the youth of our nation are given every opportunity to serve their country and to continue their education, thereby becoming more productive members of our society.

During the Navy League's National Convention, a resolution was adopted which states: "Recognizing that the GI Bill plays an important role in the personal excellence program with educational benefits for military personnel, the Navy League of the United States fully endorses retention of this valuable benefit which serves as a recruitment incentive as well as a transitional vehicle to civilian employment." These words could not be more appropriate or better state the Navy League's feeling toward the Montgomery GI Bill, especially in view of the spiraling costs of a college education today.

The VEAP educational program was not doing its job, so the Montgomery GI Bill was enacted to impact recruiting, retention, and personnel quality of the Armed Forces in a positive manner. Reports received by the Navy League indicate this legislation has more than proved its worth during the short time it has been a law of the land.

As is the case with many resolutions, the final product is never perfect. We are here today to consider possible improvements to the Montgomery GI Bill.

Earlier this summer, the Navy League testified in support of H. R. 3001 which would amend the Montgomery GI Bill to permit certain survivors of military personnel who die on active duty to receive a death benefit from the educational funds accrued. Now, the Navy League has been asked to comment upon other proposed modifications to the Montgomery GI Bill -- particularly the provisos contained within H. R. 2950, H. R. 3180 and H. R. 3280.

In regard to H. R. 2950, the Navy League opposes including flight training as an approved educational program under the Montgomery GI Bill. Records indicate that flight training serves to enhance one's ability to enjoy flying in recreational and avocational settings rather than aiding in basic employment opportunities. Therefore, in our opinion, neither the objectives nor the spirit of providing readjustment benefits would be met by including flight training under the Montgomery GI Bill.

H. R. 3180 is divided into three (3) areas which I would like to cover separately. This bill would extend to the recruit the opportunity to disenroll from the program at the end of the recruit's basic training. The Navy League opposes this provision.

Procedures being adopted by the Navy and the other maritime services will cause automatic deductions for the educational benefits to occur in the first full month to which the member of the service is entitled to pay. The League and the Navy fully support the intent of the law of automatically enrolling a member unless an election to disenroll is made upon entry into active duty. The Navy is placing greater emphasis on having its recruits fully informed of the educational benefits prior to reporting for active duty. With increased benefit awareness programs at recruits prior to reporting for duty, it would seem that the present burden of making this important decision in such a short time is removed. Extending the decision period for the recruit could, in reality, cause more problems for both the recruit and the service than having the decision made in the first two weeks of active duty.

Section 2 of H. R. 3180 addresses the pay reduction issue. Despite the tremendous popularity of the Montgomery GI Bill, the majority of new recruits feel that the pay reductions are too severe. This impression was gained during an orientation trip on which the Navy League's Executive Director, Rear Admiral W. Gene Sizemore (USN-Retired), was privileged to accompany Chairman Montgomery and others of the subcommittee while visiting the recruit commands.

A recruit receives only $524 per month, and the $100-monthly deduction -- which represents twenty percent (20%) of the recruit's monthly pay -- is a sizeable sum. The Navy League certainly supports reducing the monthly deductions, but we would prefer to see the payment formula changed to $60 per month for twenty (20) months with no other option being offered. Having gone through recruit training myself, I feel that the options should be limited and the chance for paperwork mistakes be kept to a minimum. By adopting a 20-month payment window, the recruit is assured of contributing the full $1,200 in the event of an early discharge from military service. Quite often, two-year enlistees are discharged early for a number of reasons -- including "at the convenience of the government."

The issue of transferability is addressed in Section 3 of H. R. 3180. There are a number of situations which can arise to prevent servicemembers from using the educational benefits to which they are entitled, and the examples of such situations are too numerous to detail here. It would, therefore, seem more reasonable to offer transferability earlier in the servicemember's career, after completing ten (10) years of active duty and remaining on active duty. This would serve as a retention tool to supplement the Selective Reenlistment Bonus program already in existence.

Let me now move to some of the issues contained within H. R. 3208. The Navy League's position on allowing the recruit to have the required $1,200 payment extended over a greater period of time (Section 2 of H. R. 3208) is outlined previously. The League fully supports $60/month for twenty (20) months as being a very sensible and acceptable approach.

Section 3 of H. R. 3208 proposed to allow the recruit sixty (60) days to decide on enrollment or disenrollment. This same issue was addressed in relation to H. R. 3180. However, let me just add here by saying that the longer a recruit has to decide, especially once the first month of training is finished, the more opportunities there are for the servicemember to decide to disenroll in order to spend the money for other items -- a car, television, stereo, camera or other items that young people feel they need. Conversely, enrolling after a month or two of delay might prevent the recruit from fully donating to the program to become eligible.

Section 3 of H. R. 3208 also provides for a one-time 60-day window to enroll those servicemembers who disenrolled previously. It may be that initial briefings provided to recruits did not properly emphasize or orient them about the benefits provided by the Montgomery GI Bill. The low participation rate of eighteen percent (18%) initially experienced by the Navy seems to bear this out. After disenrolling previously, there are numerous requests from servicemembers asking to be given a second chance to enroll in the educational program provided by the Montgomery GI Bill. It seems only fair to give the individuals specified under this provision another opportunity to take advantage of the Montgomery GI Bill in view of the shortcomings in the initial briefings or presentations by some of the services.

The issue of transferability in H. R. 3208 is addressed in the portion of my statement related to H. R. 3180. Briefly, the Navy League supports transferability after ten (10) years of service because it is an excellent retention incentive.

The final portion of H. R. 3208, Section 5, would provide a compensation payment in the event of an eligible servicemember's death or disability (mental or physical). The payment would be the amount deducted from the servicemember's pay. The Navy League supports including the language of Section 5 in whatever legislation emerges from this subcommittee and believes that these monies, accrued as a result of self contributions and personal sacrifices, belong to the servicemember's family -- not to the U. S. Treasury.

Thank you, Mr. Chairman, for giving me the opportunity to testify before this subcommittee on behalf of the Navy League of the United States.

I stand ready to answer your questions.

Statement of

DAVID PASSAMANECK
AMVETS National Legislative Director

Before The

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE COMMITTEE ON VETERANS' AFFAIRS

To Review the Implementation and Effectiveness
of the Montgomery GI Bill and Comment on
H.R. 2950, H.R. 3208 and H.R. 3180

10:00 a.m., October 14, 1987

Room 334, Cannon House Office Building

AMVETS is pleased to have this opportunity to appear at this review of the Montgomery GI Bill and comment on H.R. 2950, H.R. 3208 and H.R. 3180.

AMVETS was the only major veterans' organization to unequivocally support this program in its original form as H.R. 1400, 98th Congress which was enacted into law as Title VII, Public Law 98-525. We recognized from the beginning that this program would have a tremendously beneficial effect on both recruitment for the armed forces and the restoration of veterans to civilian life. We specifically did not object to the VA funding the bulk of the cost of the program even though it is also a recruiting incentive, at least in its initial impact.

The program has proven itself to be one of the most successful enacted in the post-Vietnam era. As the only major veterans' organization whose ranks are open to post-Vietnam veterans generally, we take special pleasure in commending this historic contribution made possible by the persistent leadership of Chairman Montgomery.

AMVETS is pleased to support the extension of educational assistance to flight training in courses accredited by the FAA and applicable state authorities, as provided by H.R. 2950, introduced by you, Mr. Chairman.

Both H.R. 3180, introduced by Mr. Smith of New Jersey and H.R. 3208 propose to amend the Montgomery GI Bill so as to more equitably apply the benefits provided by the program and remove existing requirements for participation in the program which in many cases have proved to be disincentives. Mr. Smith's bill would postpone the member's decision to participate until after completion of basic training as defined by the Secretary concerned, and give an option to the member of contributing $100 a month for the first 12 months he or she is entitled to pay or $50 a month for the first 24 months. H.R. 3180 also provides for transfer of the entitlement under the program in whole or in part to the member's child, spouse or surviving spouse, during the pendency of the member's active duty or in the event of death, discharge for hardship, service-connected disability or completion of 20 years of active duty, or in the case of reservists, completion 20 combined years of active duty and duty in the Selected Reserve.

H.R. 3208, introduced by Mr. Jontz contains similar provisions to H.R. 3180. However, H.R. 3208 would allow a payment option of $60 a month for the first 20 months. H.R. 3208 also contains a provision for refund of the member's monetary contribution to the program in the event the member is determined by the VA to be physically or mentally unable to utilize educational assistance, or payment of the contribution, in the event of the member's death to his or her beneficiaries designated in the member's GI insurance, or the surviving spouse, children or parents in that order. Mr. Jontz's bill would allow the Secretary concerned to give the member up to 60 days to elect participation in the program and give all current members who have declined participation, 60 days of grace from date of enactment to participate.

AMVETS supports the provisions of both H.R. 3208 and H.R. 3180 for transfer of the educational entitlement or right of survivorship for the member's children or spouse for the purpose of participation in the program. However, we do not subscribe to the transformation of such survivorship into a supplemental life insurance program. As we stated to this subcommittee on August 6, 1987:

> The guidelines set forth in Chapter 35 of Title 38 United States Code, particularly in Section 1701, should provide comparable criteria for entitlement to recovery of a member's contribution to the Montgomery GI Bill program. We specifically support use of the funds thus made available to the survivors of 100% service-connected disabled veterans and those missing

> in action or held prisoner in accordance with Section 1701 of Title 38 United States Code. Paying the unredeemed contribution to the Montgomery GI Bill program to parents of a deceased member would appear to be beyond the intended scope of the program. In addition to the eligibility criteria set forth in Chapter 35 of Title 38 United States Code, we would favor payment of a veteran's unredeemed contribution to the Montgomery GI Bill program to survivors for educational purposes if the veteran dies during the period of eligibility.

Consequently, with the exception of refund of the member's contribution in the event of his incapacity to take advantage of the program, as provided in H.R. 3208, AMVETS would not favor any payments to survivors for other than educational purposes, or to parents in any event.

PVA
PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT OF

FRANK R. DEGEORGE, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

REGARDING THE

IMPLEMENTATION AND EFFECTIVENESS

OF THE

MONTGOMERY G.I. BILL

AND COMMENTS ON H.R. 2950, H.R. 3208 and H.R. 3180

OCTOBER 14, 1987

Mr. Chairman and Members of the Subcommittee, Paralyzed Veterans of America (PVA) appreciates this opportunity to express our views regarding the implementation and operation of the Montgomery G.I. Bill. I am Frank R. DeGeorge, Associate Legislative Director for Paralyzed Veterans of America. As requested, I would also like to summarize our views on H.R. 2950, H.R. 3208 and H.R. 3180 currently pending before the Subcommittee.

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300

At the outset, Mr. Chairman, PVA would like to express its sincerest congratulations to you, this Subcommittee, and especially to the Chairman of the Full Committee and author of this new education program, the Honorable G.V. (Sonny) Montgomery, for the successful passage and enactment of the Montgomery G.I. Bill. The President's signature on H.R. 5167 (Public Law 100-48) marked the culmination of over eight years of dedication and hard work on your part to convince the Congress and the Administration of what PVA has always believed to be self-evident.

The G.I. Bill has proven, in the past, to be one of the most significant federal programs ever enacted. The contributions to our society stemming from the G.I. Bill have strengthened our national economy, our national defense, and the lives and welfare of generations of American veterans and their families. The G.I. Bill, designed primarily as a readjustment benefit, is also one of the most important recruitment incentives for military service, offering significant educational opportunities to a wide spectrum of young American men and women who wish to serve their country in the Armed Forces of the United States.

For these reasons, Mr. Chairman, PVA is proud to have played a very small, but hopefully constructive, role in the support of the reenactment of this program. The "Blood, Sweat and Tears" on your part in fighting to see the Montgomery G.I. Bill become law will pay off a thousand-fold in the future. In the true tradition of all veterans' benefits, the Montgomery G.I. Bill, by recognizing service to country, will help keep America strong and free.

The Montgomery G.I. Bill was signed into law June 1, 1987. We believe it is difficult to adequately grade the implementation of the program based on only four months experience of full and permanent operation. The predecessor to the Montgomery G.I. Bill, the New G.I. Bill, enacted in 1985, as this Subcommittee well knows, was only a temporary or pilot program. As such, utilizing cumulative participation rates as indicators of the quality of the implementation of the program from 1985 to the present might be somewhat clouded by the fact that the New G.I. Bill, as any new program, had to undergo the stresses and strains of "start-up" and certain reluctance in implementation on the part of the service branches due to the perceived, temporary nature of the program. For these reasons, we understand that participation rates from July of 1985 to August 1987 show a cumulative total of 61.0 percent of enlistees in all service branches enrolling in the program.

However, a more realistic benchmark of the success of the Montgomery G.I. Bill, since it became a permanent program can be seen in the following participation rates for August 1987.

Army	91.8%
Navy	56.3%
Air Force	61.2%
Marine Corps	73.9%
Total DOD	75.5%

While there is always room for improvement, these rates, particularly the percentages reported by the Army, clearly indicate that the Montgomery G.I. Bill is off and running. We are certain that Chairman Montgomery and this Subcommittee will keep a watchful eye on the implementation of the program as it develops and matures in the months and years ahead. As in the past, PVA will be happy and willing to provide any assistance in this regard to the Subcommittee in the future.

Mr. Chairman, as requested, PVA would like to comment on the three bills pending before the Subcommittee which would amend the Montgomery G.I. Bill: H.R. 3180, introduced by Representative Smith of New Jersey; H.R. 3208, introduced by Representative Jontz; and your bill H.R. 2950.

H.R. 3180 and H.R. 3208 have several similar provisions which we would like to address collectively. Subsequently, we will then comment on several features that are unique to each of the individual bills.

Amount of Reduction of Pay and Period of Enrollment

Both H.R. 3180 and H.R. 3208 would extend the election period for enrollment in the Montgomery G.I. Bill from the point of enlistment to a specified period of active duty service. H.R. 3180 would extend the period through basic training, while H.R. 3208 would extend the period up to 60 days of active duty. We understand that the additional period would be designed to give young recruits more time to fully weigh the merits of enrolling in the educational assistance program.

Both H.R. 3180 and H.R. 3208 would provide for the extension of the period of the reduction in basic pay for enrolled recruits to reach their maximum contribution level for eligibility ($1,200). Currently, the law states that the reduction should be $100 per month for the first 12 months. H.R. 3180 would provide for reductions of $50 each month for the first 24 months. H.R. 3208 calls for $60 each month for the first 20 months.

H.R. 3208 would also provide for a "grace period" of 60 days following enactment of the legislation during which active duty personnel, who had previously declined enrollment in the Montgomery G.I. Bill prior to enlistment, could then reconsider and sign up for program eligibility.

PVA finds all of the above provisions worth careful, but cautious, consideration at this time. Undoubtedly, these measures were designed to address specific problems perceived with the implementation of the program during its pilot phase and in its short life thus far as a permanent program. We understand and can appreciate the concern of the authors of these legislative proposals in seeking to address these matters. However, with the Montgomery G.I. Bill only four months old, we would recommend that the Subcommittee wait until the program has been in full operation for at least a year before making these or other changes. We believe the Committee should have additional time to fully evaluate the depth and extent of these and any other potential problem areas.

Transferability

Both H.R. 3180 and H.R. 3208 would authorize the transfer, under certain circumstances, of all or part of a service member's education entitlement to his or her dependents. Since first testifying before this Subcommittee on proposed G.I. Bill legislation in the early 1980's, PVA has opposed enactment of a transferability provision. We believe that the Montgomery G.I. Bill, as previous veterans' educational assistance programs before it, is designed primarily as a readjustment benefit for the veteran. In addition, in reviewing the record of past G.I. Bills, there are substantial economic and social benefits already accrued tangentially by spouses and family members from the veterans' own use of his or her own education entitlement. Transferring that entitlement to one's children could even, under certain circumstances, dilute the importance of the G.I. Bill as a recruitment incentive for military service to the next and subsequent generations. For these reasons, and, apart from the additional cost of the provision, we believe transferability to be inconsistent with the current nature and purpose of veterans' benefits and services.

Compensation Payments

H.R. 3208 would provide for compensation payment in the form of a death benefit paid to certain survivors of individuals who are entitled to education benefits under the Montgomery G.I. Bill. The death benefit would be in the amount of the reduction in basic pay made by the service member to qualify for entitlement. As we previously testified earlier this year on a similar provision contained in H.R. 3001 introduced by you, Mr. Chairman, PVA supports this measure as being a fair and compassionate amendment to the Montgomery G.I. Bill.

H.R. 3208 would also provide a compensation payment in the same amount "to an individual with respect to whom the Administrator has made a determination ... has become so physically or mentally disabled that he or she is unable to utilize such educational assistance." PVA believes this to be a worthy amendment to the program, but with certain reservations.

The assessment of total physical or mental disability can be, at times, an arbitrary or inconsistent determination. Judging from the position of our own membership, all of whom have incurred spinal cord injury or dysfunction, we are aware of many individuals who have suffered the most severe catastrophic disabling injuries, but for whom there is still the opportunity for rehabilitation, education, and retraining in order to lead productive lives. A number of years ago, this might not have been the case. However, PVA as an organization, and the VA for that matter, should be proud of the part we have played in advancing medical science, rehabilitation techniques and awareness of the needs of disabled individuals to provide opportunities and a better way of life for even the most catastrophically disabled individuals.

In granting this compensation payment, report language should accompany the legislation to make certain the Administrator takes all factors affecting potential cure, recovery or rehabilitation of the individual into account. In this way, safeguards must be taken to ensure that the compensation payment does not prematurely eliminate future entitlement. We envision that the Administrator's determination would be made under the most extreme and severe circumstances, such as in the case of an individual who is medically determined irreversibly comatose. Under such circumstances, we suggest that the language of the provision be amended to allow the compensation payment to the individual's trustee or legal guardian.

Flight Training - H.R. 2950

PVA appreciates Chairman Dowdy's interest and concern in introducing this legislation. However, we cannot support the bill at this time. As you know, flight training authorization was removed from title 38, U.S.C., as an authorized program under the Vietnam Era G.I. Bill. The reasons for this at that time were based on both the cost of the program and the fact that a GAO review found that a large percentage of veterans were enrolling in flight training for avocational or recreational purposes rather than vocational pursuits. For these reasons we believe it would be unwise and inconsistent to restore flight training to the Montgomery G.I. Bill at this time.

Mr. Chairman, this concludes our testimony. I will be happy to respond to any questions you might have.

STATEMENT OF

JAMES N. MAGILL, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

THE MONTGOMERY GI BILL

WASHINGTON, D. C. OCTOBER 14, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States with respect to the implementation and effectiveness of the Montgomery GI Bill as well as several legislative proposals which would amend this highly successful program. At the outset, I would like to commend the Chairman for holding this hearing, demonstrating his and the Subcommittee's continuing concern for our nation's veterans.

Mr. Chairman, since its enactment, the New GI Bill has been a resounding success. In previous testimony before this Subcommittee, the VFW has stated this program is dollar for dollar the most cost-effective means of recruitment now in existence. We are also convinced the program is, across the board, the best educational incentive the Department of Defense has to offer today. Furthermore, this educational benefit program is paying for itself by improving recruiting quality and reducing turnover in personnel.

Earlier this year, the Congress recognized the value and merits of the New GI Bill by passing legislation to make it a permanent program as well as renaming it the Montgomery GI Bill. Today, the Montgomery GI Bill is exceeding all expectations. Approximately 90% of all new Army recruits are signing up. The other service branches all boast of having over a 50% participation rate. Overall, almost 70% of the members of the armed forces are participating in the Montgomery GI Bill. Since the program began in July, 1985, over 330 thousand active duty personnel have opted to participate, and it is estimated by this time next year over one-half million men and women will either have signed up or will be attending a college or university under the program.

Information available to the VFW indicates the program is for the most part running smoothly and efficiently. However, we have heard reports that in some cases recruiters have not been thoroughly instructing potential recruits as to the provisions of the Montgomery GI Bill. We believe it is imperative recruiters give a comprehensive explanation of the program so that potential recruits have every opportunity to make an informed decision.

Mr. Chairman, in your letter of invitation to appear before this Subcommittee today, you have asked the VFW to comment on three bills which would amend the Montgomery GI Bill. H.R. 3208, introduced by Mr. Jim Jontz, makes several changes as does Mr. Christopher Smith's bill, H.R. 3180. The third bill, H.R. 2950, introduced by the Chairman of this Subcommittee, provides for flight training under the Montgomery GI Bill.

Earlier this year, the VFW was invited to visit four recruit training commands and discuss the education program with those undergoing basic training. Repeatedly, we were told by those who elected not to participate in the education program that had they been given more time to make a decision, they would have chosen to participate. H.R. 3180 provides for a decision to be made at the conclusion of basic training while H.R. 3208 allows an individual to decide during a period established by the Secretary concerned but not to exceed 60 days after he/she first enters active duty. The VFW believes it would be in the best interest of the recruit to allow additional time for a decision to be made, and we, therefore, support the extension of the time period for enrollment. Inasmuch as Mr. Jontz' bill provides for a more flexible period and in all likelihood would allow a recruit to immediately enroll in the program if he has already made a decision, we favor H.R. 3208. We also favor allowing individuals who initially rejected participation in the education program the opportunity to reconsider.

In meeting with the recruits, it also became apparent to the VFW that the contribution schedule of $100 a month for 12 months is a matter of concern for the participants. The recruits stated they hoped a revised formula could be implemented that would entail lesser amounts over a longer period. In response to this request, both H.R. 3180 and H.R. 3208 provide for an alternative schedule. While both bills retain the original schedule of $100 a month for 12 months, H.R. 3180 provides an option of $50 a month for 24 months and H.R. 3208 provides an option of $60 a month for 20 months. The VFW supports giving recruits an alternative payment schedule. We believe both bills offer realistic alternatives and we would support whichever schedule the Congress or the Secretary concerned adopts.

Both H.R. 3180 and H.R. 3208 provide for the transfer of entitlement to dependents. The VFW historically has opposed a transferability provision because we view education as a readjustment program. We are also concerned that should a transfer amendment be adopted, a reduction in the pool of eligibles for future military service may occur. However, in light of the fact the Montgomery GI Bill is a contributory program and also a viable retention tool for the military services, the VFW will not oppose the transfer provision.

Finally, Mr. Chairman, H.R. 2950, introduced by you, would amend the Montgomery GI Bill so as to allow flight training as an educational pursuit. As you know, flight training was at one time available to Vietnam veterans participating in the Vietnam-Era GI Bill but for certain reasons was eliminated as a course of study. Inasmuch as the Vietnam-Era GI Bill is still a current program, the VFW does not believe it proper to authorize a particular program to peacetime veterans while at the same time denying it to wartime veterans. For this reason, the VFW cannot, at this time, support H.R. 2950.

This concludes my statement, Mr. Chairman, and I will be happy to respond to any questions you may have.

AOPA

AIRCRAFT OWNERS & PILOTS ASSOCIATION
421 Aviation Way, Frederick Airport, Frederick, MD 21701, Telephone (301) 695-2000/Telex 89-3445

STATEMENT OF JOHN L. BAKER, PRESIDENT

AIRCRAFT OWNERS AND PILOTS ASSOCIATION

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HONORABLE WAYNE DOWDY, CHAIRMAN

U. S. HOUSE OF REPRESENTATIVES

OCTOBER 14, 1987

REGARDING VETERANS' EDUCATIONAL BENEFITS

Mr. Chairman, I am John Baker, president of the Aircraft Owners and Pilots Association (AOPA). AOPA represents the national aviation interests of 260,000 pilot members who own and operate general aviation aircraft for business and personal reasons. We are very concerned with the future of general aviation and the entire aviation community.

I appreciate the opportunity to provide these comments to the Subcommittee on Education, Employment and Training regarding the inclusion of veterans' flight training benefits under the new G.I. Bill. This committee held a hearing on this same topic in 1985 when AOPA testified in favor of this program. Since that time, the national need for qualified pilots has increased dramatically and the aviation career opportunities that could be available to veterans have expanded.

Mr. Chairman, thanks to your leadership Congress has recognized the career opportunities available in aviation and you have introduced legislation, H.R. 2950, to include flight training as a career opportunity for veterans.

This measure contains substantially the same language that overwhelmingly passed the House of Representatives in 1986 as section 107 of H.R. 3747. Unfortunately, the Senate did not consider similar legislation in the 99th Congress. Hopefully, the Senate Veterans Affairs Committee will consider the companion legislation S. 820, introduced by Senator Thomas Daschle during the second session of this Congress to reinstate flight training for veterans.

AOPA strongly believes that as long as the federal government provides for educational assistance to veterans to restore lost educational opportunities for those whose careers have been interrupted by military service and to assist them in attaining the educational and vocational status that they would have achieved but for such service, the option of flight training should be among those educational courses permitted. The issue of equity in veterans' choice of education and career remains the same. To single out flight training as being unworthy of educational support is unfair and inequitable. In spite of occasional abuses of this program, we are aware of no substantive evidence that the level of abuses in flight training exceeded those of other educational options available to the veteran.

In the past, the General Accounting Office (GAO) and the Veterans' Administration have alleged that flight training programs have not met the objective of providing substantial employment for those trained and that many individuals have used these programs primarily for recreational or avocational purposes. These allegations are simply without merit once their findings are placed in proper perspective.

In 1979, GAO found that only sixteen percent of flight trainees under the program had full-time jobs directly related to this training. Their criteria for measuring this occupational and training match was far too narrow. They considered that only people listing occupations such as flight instructor or airline pilot as involved in an aviation occupation that related directly to the training. By analogy, this would be the same as saying a person who received a Masters in Business Administration degree was not properly trained for an occupation as a college professor or association representative. I would urge some of the traditional veterans organizations which have opposed flight training as an option for education benefits in the past, citing this flawed GAO report to take a close look at the faulty methods GAO employed in coming up with their report, and come out in support of H.R. 2950.

Flight training offers unique alternatives to veteran graduates. Salesmen, newsmen, ranchers, architects, insurance representatives, doctors and those engaged in numerous other occupations find airplanes valuable and, often, one of the most important tools in their businesses or professions. Consequently, individuals may not be "professionally" engaged in the business of commercial flying; however, the necessary ancillary use of flight training has been recognized as a valuable "support" tool for a wide variety of professions.

In 1978, the Veterans' Administration reported that graduates of flight training programs were quick to accept very limited, part-time employment for the purpose of receiving free or reduced rate flying rather than for full-time employment as professional pilots. This appraisal ignores the fact that in order to secure a professional pilot's job that pays a living wage, several thousand flight hours must be logged to demonstrate an adequate experience level required to safely carry passengers or cargo for hire. In order to gain this experience, most developmental pilots take jobs as part-time flight instructors or as nighttime or weekend cargo pilots flying small aircraft. This allows the aspiring corporate or airline pilot to gain the necessary level of experience required by airlines and corporate flight departments, while holding another job that pays a living wage.

Less than two percent of the millions of veterans receiving educational benefits over the last 19 years have been involved in flight training. First, this is a very small percentage of the total. Second, by eliminating the eligibility of flight training for veterans' educational benefits, the entire veterans group who received flight training benefits was accused of abuses. Clearly, this was not the case. I am confident that quite a high percentage of the veterans who received flight training under the G.I. Bill are an integral part of our working pilot population today.

From an even broader perspective, the United States desperately needs to train commercially qualified pilots to fill a growing demand for professional pilot services. Figures provided by the Future Aviation Professionals of America (FAPA), which tracks hiring patterns, clearly paints a picture of huge increases in aviation employment (See attached table.) For this hearing, I will emphasize the pilot shortfall for the 1987-97 time frame. FAPA's ten-year pilot projections, based on a conservative five percent growth factor and known retirements (FAA has a 4.9% growth factor), show thirty-two thousand airline jet pilot jobs and ten to twenty thousand nonjet regional airline pilot jobs to be filled. For comparison, consider the airlines now employ some fifty-three thousand pilots. An aging airline pilot population, which will be retiring in the next decade, and the explosive growth in commercial air travel combine to create this tremendous shortage of pilots as well as flight attendants, mechanics and other jobs in the aviation industry.

Burgeoning airline, corporate aviation and utility pilot needs in the United States must be viewed as a part of the nation's transportation system requirements. If these needs are not met, the nation's economic and commercial growth and well-being surely will suffer, for it is air transportation in all its forms that has been one of the principal facilitating factors in America's growth.

The lure of an airline or corporate flying job is not as great as it once was. The initial investment to become eligible for these highly technical jobs is becoming too great. A candidate for veterans' flight training benefits must first obtain a private pilot certificate using his own resources, a task currently valued at around $3,500. The training to become a commercial pilot may easily exceed $10,000 and, to receive an instrument rating, approximately $3,500. Since these qualifications are the bare minimum to qualify for even the entry-level piloting job, only the well-heeled can possibly afford this. When the G.I. Bill was underwriting 90% of this, an aspiring pilot could handle the capital investment much more easily.

Training to become a professional pilot requires a unique and complicated form of education, one which few people are likely to understand or appreciate, but the payoff in terms of adequate numbers of well trained professional pilots for the nation's air transportation system in the years to come is certainly great enough to warrant the resumption of this critical form of training within veterans' educational benefits. Since the job opportunities are increasing rapidly for pilots, and the intelligence and skill level of our all-volunteer military personnel is improving significantly, the reinstatement of flight training can be an important boost to veterans entering the civilian work force and relieving the national shortage of qualified pilots. I urge you to reinstate the flight training provisions of the Veterans' Educational Assistance Act.

I appreciate this opportunity to present the views of AOPA before this Subcommittee.

#

PILOT DEMAND

U.S. Large Turbojet Operators

YEAR	GROWTH	RETIREMENT	TOTALS
1987	1601	657	2258
1988	1520	955	2475
1989	1496	1086	2582
1990	1067	1377	2444
1991	980	1279	2259
1992	1277	1647	2924
1993	1332	1860	3192
1994	1214	2105	3319
1995	1242	2137	3379
1996	1133	2413	3546
1997	987	2425	3412
	+	+	+

Net Totals.............13849........17941........31790

FAPA, 4291-J Memorial Drive, Atlanta, GA 30032 * (404) 294-0226

DEPARTMENT OF THE NAVY
NAVY RECRUITING COMMAND
4015 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22203-1991

IN REPLY REFER TO
1133
Ser 211/05402
07 OCT 1987

POLICY-GRAM # 3-88

Subj: MONTGOMERY GI BILL RIGHTS AND BENEFITS

Ref: (a) CNRC memo 1500 Ser 211/00398 of 11 Mar 87

Encl: (1) Questions and Answers (Q & A)

1. Reference (a) promulgated a welcome aboard letter and a GI Bill Q & A sheet that is given to all applicants at DEP-in. It has since become necessary to increase the level of GI Bill information we provide to the applicants prior to DEP-in.

2. Effective 16 November 1987, enclosure (1) will be used to brief all applicants on the GI Bill. This document will be signed by the applicant and witnessed by the recruiter and should be accomplished while completing the enlistment kit (DD Form 1966/1). The Enlisted Processing Division Supervisor (EPDS) will ensure enclosure (1) is retained in the residual file.

3. Applicants will continue to receive the Welcome Aboard Letter and Q & A sheet at DEP-in as required by reference (a).

D.P.Hickman
D. P. HICKMAN
Director,
Plans and Policy Department

Distribution:
COMNAVCRUITAREAS

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THE NEW GI BILL

Question: What is the GI Bill?

Answer: The GI Bill is an educational benefit program available to all non-prior service individuals entering the Armed Forces after 1 July 1985. You are automatically enrolled in the GI Bill which means that your pay will be reduced by $100 per month for your first 12 months on active duty. Legislation has been introduced in Congress to reduce your pay by $60 per month for your first 20 months on active duty.

Question: Do I have to do anything else to get my post service benefits?

Answer: You must satisfy three eligibility criteria to get your benefits: (1) receive an honorable discharge, (2) complete high school before you finish your first enlistment, and (3) serve three years on active duty if your enlistment is three years or longer, or serve two years on active duty if your enlistment is less than three years.

Question: What are the benefits?

Answer: For your $1,200 investment under the GI Bill you will receive $10,800 in benefits which are payable at $300 per month for 36 months based on full-time training, or the equivalent in part-time training.

Question: Can I use the benefits in-service?

Answer: Yes, once you have completed 24 months of active duty you can use your GI Bill benefits in-service. Also, if you should decide to delay using your benefits until after you leave the Navy, you will have 10 years from discharge in which to use your benefits.

Question: Where can I go to school?

Answer: You can use your GI Bill benefits for VA-approved residence programs at colleges, universities or technical schools, or for correspondence courses, apprenticeship or on-the-job training.

Question: Can my dependents use my benefits?

Answer: No, GI Bill benefits are for your use only.

Encl (1)

Question: How do I enroll in the GI Bill?

Answer: By law, you are automatically enrolled in the GI Bill. All paperwork for the GI Bill will be completed within your first two weeks at recruit training. During those first two weeks if you should decide you do not want the GI Bill you will be given one opportunity to disenroll.

Question: Can I change my mind and enroll at a later date?

Answer: No, if you choose to disenroll from the GI Bill, you cannot enroll at a later date. Your decision to disenroll is a one-time-only irrevocable decision. You cannot change your mind later.

Question: Can I get out of the program?

Answer: If you should decide not to enroll in the GI Bill, you will have one opportunity at recruit training to get out. However, once you are enrolled in the GI Bill, you cannot stop or suspend these pay reductions.

______________________ Signature of Recruiter

______________________ Signature of Enlistee

Date__________

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE RECRUITING SERVICE (ATC)
RANDOLPH AIR FORCE BASE TX 78150-5421

17 MAR 1987

REPLY TO ATTN OF: CC

SUBJECT: Letter About New G.I. Bill to Parents/Guardians

TO: ALL USAFRG & SQ/CC/RSA

1. I want all recruiters to emphasize the New G.I. Bill. They're to use the letters to parents/guardians originally sent to the field in October 1985. Keep using them until I instruct otherwise.

2. You'll find copies of the letters attached. Reproduce them locally. I want squadron RSAs to provide recruiters an initial supply and instructions for reorders. The recruiters are to date stamp and personalize each letter, mail it to parents/guardians about two weeks prior to applicants going EAD, and write the mailing date in the remarks section of the PIR.

3. Applicants and their parents/guardians must know the New G.I. Bill's value. Ensure use of these letters is covered during all training and inspection teams' visits. This program will be a special emphasis item for IG inspections. This needs your personal attention.

WILLIAM J. PORTER
Brigadier General, USAF
Commander

2 Atch
1. Ltr (Male)
2. Ltr (Female)

1st Ind, 3535 USAFRSQ/RSA — 24 Mar 87

TO: 3535th USAFRSQ/NPS Recruiters

1. General Porter has placed increased emphasis on providing parents and guardians of DEPs information on the New G.I. Bill. Attached for your use are copies of letters on the New G.I. Bill to be sent to the parents and guardians. Comply with para 2 above in accomplishing this requirement.

2. The use of these letters will be an item covered at all training meetings and during inspectiion visits. When you require additional copies of these letters contact your flight supervisor.

3. If you have any questions please give us a call, 981-3288.

AUDREY A. BAHLER, Captain, USAF
Chief, Advertising & Publicity

2 Atch nc

UNITED STATES AIR FORCE
40
SEPTEMBER 18, 1947

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE RECRUITING SERVICE (ATC)
RANDOLPH AIR FORCE BASE TX 78150-5421

Your daughter made an important decision by joining the United States Air Force. That decision brings many opportunities into reach. One of those is advanced education.

Many young people join the Air Force to continue their education and training. I'm concerned that some of these same people choose not to financially back their education plan with the New G.I. Bill.

Let me explain how the New G.I. Bill works. Enrollment is automatic upon enlistment. Then, the Air Force deducts $100 from the airman's pay each month for 12 months. This one-time contribution results in a nine-to-one payback! As much as $10,800 is available for education after 24 months active duty service.

Your daughter has only one chance to stay enrolled. Once she decides to disenroll, she can't sign up again.

I encourage you to talk this over with her. Be sure she knows about the New G.I. Bill. Is the short-term monetary benefit worth losing more than $10,000 in educational benefits? Your advice may be the difference between a stereo system and a college degree!

Your daughter is following in the footsteps of millions of young Americans who started their careers in the Air Force. You can be proud of her decision to join the Air Force, and to Aim High!

Sincerely

WILLIAM J. PORTER
Brigadier General, USAF
Commander

UNITED STATES AIR FORCE
40
SEPTEMBER 18, 1947

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE RECRUITING SERVICE (ATC)
RANDOLPH AIR FORCE BASE TX 78150-5421

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Sincerely

WILLIAM J. PORTER
Brigadier General, USAF
Commander

UNITED STATES AIR FORCE
40
SEPTEMBER 18, 1947

FS 85-01

NEW GI BILL EDUCATIONAL BENEFITS FOR AIR FORCE MEMBERS

QUESTIONS AND ANSWERS

Beginning 1 July 1985, a new educational benefits program, commonly called the New GI Bill, will be offered to eligible individuals who become members of the Air Force on or after that date. The President signed this new program into law on October 19, 1984. These questions and answers are prepared to cover items most commonly asked by Air Force applicants and their families.

Q1. What is the New GI Bill?
A1. The New GI Bill is an educational assistance program that provides a basic entitlement of $10,800 in educational benefits to participating Air Force members.

Q2. Who is eligible to enroll?
A2. All Air Force members who enter active duty for the first time on or after July 1, 1985 (except for Air Force Academy and AFROTC scholarship graduates).

Q3. What are the benefits I'll receive?
A3. You will receive a basic entitlement of $10,800 in educational benfits (up to $300 per month for 36 months). This is a nine to one payback on your contribution to the program.

Q4. How do I enroll in the program?
A4. As an eligible Air Force member, you are automatically enrolled unless you specifically elect not to participate in the program. If you choose to remain enrolled in the program, you will have $100 deducted from each month's pay for the first 12 full months of service. This deduction from pay is nonrefundable.

Q5. When do I have to decide to remain enrolled in or disenroll from the program?
A5. You will have the opportunity to make this decision shortly after you enter on active duty. You will receive a briefing on the program before you have to make your decision. If you are in basic military training (BMT) or Officer Training School (OTS), this will be done within two weeks of your entry on active duty.

Q6. May I enroll at a later date?
A6. No! If you elect to disenroll from the program, you cannot enroll at a later date.

Q7. If I enroll but don't use my educational benfits, can my money be refunded?
A7. No! Your contribution is nonrefundable.

Q8. When may I use my benefits?
A8. You may use your benefits while still in the Air Force after completing two years of active duty. You must use your benefits within 10 years of your date of release from active duty.

Q9. May non-high school graduates participate?
A9. Yes! Non-high school graduates and graduate equivalency diploma (GED) holders may enroll in the program but must achieve a high school diploma or a state equivalency certificate during their first term of enlistment in order to use the benefits.

Q10. Does enrollment in the New GI Bill affect my eligibility for other Air Force educational opportunities?
A10. No! The Air Force has always been committed to educational opportunities for its members and wants you to participate in the many programs we offer. You may still enroll in the Community College of the Air Force (CCAF), use our tuition assistance program, and pursue other educational opportunities, such as the Air Force Institute of Technology (AFIT) and the Airmen Education and Commissioning Program (AECP).

Q11. Where can I go for additional counseling after I enter the Air Force?
A11. All Air Force bases have a base education services office with a trained staff of professional education counselors to assist you in meeting your educational goals.

This will be a "one-time" decision on your part. If you elect to disenroll, you will not be given another opportunity to enroll. The Air Force encourages you to take advantage of the educational benefits available through the New GI Bill.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DOWDY TO U.S. ARMY

14 October - Questions to LTC Bemis from Chairman Dowdy

1. Question: What comments do you hear from GI Bill participants regarding the program?

Answer: The Army has heard nothing but good comments from MGIB participants. In the Army, the number one motivator for bright young men and women to enlist is the opportunity to obtain educational benefits. We capitalized on this powerful selling motive and with the MGIB and the Army College Fund as a result we have continued to meet our quality accession requirements. Comments from the field indicate wholehearted support from the new enlistee up to the General Officer Commanders. Each year the Army conducts a new recruit survey to obtain data on motivations and attitudes of the new enlistees. Questions are asked about the importance of money for college, whether the Army provides an opportunity to obtain money for college and have they heard about the new GI Bill. The responses support the Army's philosophy that the primary motivator of young men and women is education. Comments have been heard concerning the $100 pay reduction being too high, however, this has not dampened the Army's participation rate in the MGIB.

2. Question: There are those who feel a refund of the basic pay reduction should be widely available to Montgomery GI Bill participants. I feel a cash payment should be made only in the event of the death of a participant and that pro-rated benefits should be given under most other circumstances. What are your views on this issue?

Answer: I agree totally with your views. Experience with VEAP has shown that a refund availability has made it too easy for young soldiers, who, due to some minor financial difficulty, have been refunded their money and lost their educational benefits forever. Those few cases whereby individuals do not attain eligibility through no fault of their own should be given prorated benefits based on the number of months served. I testified earlier regarding those types of cases that are worthy of consideration. I have been told by parents that they were willing to reimburse their son or daughter the $1200 to ensure he or she did not throw away this valuable benefit. I believe also that everyone should be enrolled in the program. That is to say, no one can disenroll. The value of this program to the future betterment of our young people cannot be understated. Our youth are constantly striving to better themselves and the MGIB is a natural to be a large part of their future.

3. Question: For those individuals participating in the Montgomery GI Bill who experience short-term financial emergencies and feel the strain of the basic pay reduction, what assistance is available to help them?

Answer: In the Army, there are several agencies to provide relief to soldiers in an emergency. The Red Cross has both loans and grants available. The Army Emergency Relief also has loans and grants available. Soldiers can receive assistance through the Army Community Services which provide donations of food, clothing, and furnishings. On-post religious groups also provide assistance. Last, but not least, the soldier's chain of command is ready to assist in many ways including providing administrative leave, debt management counseling and advanced pay.

CHAIRMAN DOWDY TO U.S. AIR FORCE

Montgomery GI Bill

Chairman Dowdy: What comments do you hear from GI Bill participants regarding the program?

Mr Gill: We have kept our finger on the pulse of new recruits since the inception of the Montgomery GI Bill (MGIB). This has been accomplished by surveys as well as periodic visits to the Basic Military Training Center at Lackland Air Force Base, San Antonio, Texas. Our feedback, which now numbers in the thousands, clearly indicated two primary concerns. The first centers on the level of payroll reduction required of young people to participate in the program. Of those who opt not to participate, the $100 per month for 12 months is the overwhelming reason for their decision. It should also be noted that many who choose to participate have indicated their concern with the amount they must contribute upon initial entry on active duty. It is clear that a reduction of the contribution level to $60 for 20 months would alleviate the harshness perceived by those who participate and most certainly would increase MGIB participation overall.

Chairman Dowdy: There are those who feel a refund of the basic pay reduction should be widely available to Montgomery GI Bill participants. I feel a cash payment should be made only in the event of the death of a participant and that pro-rated benefits should be given under most other circumstances. What are your views on this issue?

Mr Gill: We agree that cash refunds should only be made in the case of the death of a participant or their disablement to the point where the program cannot be used. We support a one month of benefits for each month served up to 36 months for other circumstances. In such situations, the member should be separated honorably and have a high school diploma or its equivalent.

Chairman Dowdy: For those individuals participating in the Montgomery GI Bill who experience short-term financial emergencies and feel the strain of the basic pay reduction, what assistance is available to help them?

Mr Gill: Air Force members who find themselves facing financial hardships, whether related to the MGIB or for other reasons, are eligible for low-interest loans from the Air Force Aid Society. They may also seek temporary financial relief from Federal credit unions or other local lending agencies.

CHAIRMAN DOWDY TO U.S. COAST GUARD

RESPONSES OF THE UNITED STATES COAST GUARD TO THE ADDITIONAL QUESTIONS OF THE HOUSE OF REPRESENTATIVES COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT FOR ITS HEARING OF OCTOBER 14, 1987

1. What comments do you hear from G.I. Bill participants regarding the program?

Participants are enthusiastic about the program and the generous subsidy it provides for them to continue their education. Legislation such as Public Law 99-576, which added correspondence courses, apprenticeships and other on-the-job training programs to the educational pursuits that are fundable under the Montgomery G.I. Bill has made an excellent program even better. Education benefits are unquestionably one of the most important incentives that encourage young men and women to enter the armed services today.

One of the comments most often made about the bill is that its required contributions are too high and should be changed to a lesser amount over a longer period of time. The Coast Guard is now inducting a considerable number of married recruits. Individuals in that category are finding that, even though they would like to participate in the Montgomery G.I. Bill, the required $100 monthly reduction in pay for each of the first twelve months on active duty is too great a decrease from an already small paycheck. Therefore, they regretfully disenroll from the program. One of the provisions of H.R. 3208 would allow participants to make the required $1200 contribution at a rate of $60 a month for 20 months. If enacted, the extended contribution schedule would make participation in the Montgomery G.I. Bill more affordable, not only for the married recruits but for all eligibles at the lower end of the pay scale. The Coast Guard strongly endorses the extended contribution schedule.

2. There are those who feel a refund of the basic pay reduction should be widely available to Montgomery G.I. Bill participants. I feel a cash payment should be made only in the event of the death of a participant and that pro-rated benefits should be given under most other circumstances. What are your views on this issue?

The Coast Guard supports H.R. 3001, which would provide a death benefit, or refund, of a Montgomery G.I. Bill participant's contributions if he dies on active duty. The Coast Guard also supports the provision of H.R. 3208 which would allow "compensation in lieu of benefits" to Montgomery G.I. Bill participants who have become so physically or mentally disabled that they are unable to use such assistance.

3. For those individuals participating in the Montgomery G.I. Bill who experience short-term financial emergencies and feel the strain of the basic reduction, what assistance is available to them?

The Coast Guard Mutual Assistance program can provide interest-free loans to individuals experiencing short-term financial emergencies. As stated previously, the strain of the basic reduction in pay for Montgomery G.I. Bill participants would be lessened if the required $1200 reduction could be made over an extended period of time.

STATEMENT OF
R. J. VOGEL
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT
HOUSE OF REPRESENTATIVES
October 15, 1987

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to provide information about our implementation of the Montgomery GI Bill and to provide our position on pending bills H.R. 2950, 3180 and 3208, all of which would amend the Montgomery GI Bill-Active Duty--(chapter 30.)

In the active duty program, as of September 24, 1987, 250 individuals had begun to use Montgomery GI Bill benefits. Through August of this year, out of just over 608,000 eligibles, close to 371,000 signed up to participate, for a DOD-wide participation rate of 61 percent. For August, the DOD-wide participation rate was at 68 percent.

The Army has the highest participation rate; out of 239,162 eligibles, they have 188,093 participants for a 78.6 percent participation rate. The Marine Corps has a cumulative participation rate of 65.4 percent. The other Armed Services are Navy--47.5 percent and Air Force--43.9 percent.

Statistics for just August show a marked increase. For example, the Army had an 91.8 percent rate for the month. The

Marines also achieved significant participation--with a rate of 73.9 percent. Air Force and Navy improved their overall rate, Air Force at 61.2 percent and Navy at 56.3 percent.

We anticipate 19,400 personnel will begin using Montgomery GI Bill benefits in FY 1988 and 41,500 in FY 1989. From there, we expect 104,700 in FY 1990; 165,300 in FY 1991; and 209,100 in FY 1992. Fiscal Year 1993 is expected to be the peak year for chapter 30, with a projected 242,000 trainees.

Participation in the chapter 106 program is booming. Through September 1987, there were 65,908 reservists using Montgomery GI Bill benefits under chapter 106. The Army National Guard had the largest number--27,036. The next highest participation rate was the Army Reserve with 15,013 trainees. Other participation figures are Air National Guard--9,664; Navy Reserve--6,194; Air Force Reserve--4,486; Marine Corps Reserve--3,013; and Coast Guard Reserve--502.

Our projections for the chapter 106 program are 147,400 for FY 1988 and 202,800 for FY 1989, leading up to the peak participation year of FY 1990, with 226,400 projected trainees. After that, we anticipate participation to taper off somewhat to 214,600.

Processing chapter 30 claims is currently centralized in the VA Regional Office in St. Louis which reviews the claims, determines eligibility, authorizes awards for payments, and certifies payment due. They are using an interim system based on an application of a personal-computer program until a benefit payment system is available on Target. This interim system enhances the accuracy and speed of award processing by computing monthly rates, calculating entitlement, and determining actual payment due.

Development of a benefit payment system on the Target System for chapter 30 started about 18 months ago. Installation has taken longer than originally anticipated because of the complexity of the chapter 30 law. In conjunction with centralization of these claims, a test of an optical disk system is scheduled to begin in about 2 months. This will help determine the feasibility of maintaining individual veteran Claims folders on an automated filing system rather than maintaining paper Claims folders.

Chapter 106 claims are handled by all VA regional offices. An interim system on Target is used for authorizing benefit payments. There is a data exchange with DOD, scheduled to run on a weekly basis, on individuals who are receiving chapter 106 benefits. It identifies from DOD records individuals who are no longer eligible for chapter 106 benefits and those who again become eligible.

In order to better estimate the costs and number of trainees in this program, we have contracted with Maximus, Inc. to develop a computer-based model to predict the number of Montgomery GI Bill trainees and the associated benefit costs for Fiscal Years 1988 through 1992. The model was delivered to the VA on September 29 and testing has already begun.

Mr. Chairman, you asked that we comment on three pending bills: H.R. 2950, H.R. 3180 and H.R. 3208. H.R. 2950 would amend the Montgomery GI Bill to permit flight training. An individual pursuing a program exclusively of vocational flight training would be paid an educational assistance allowance at the rate of 75 percent of the established charges for tuition and fees that similarly circumstanced nonveterans pay. The entitlement charge would be 1 month for each payment that is equal to that individual's basic monthly allowance under chapter 30. Reservists training under the Montgomery GI Bill-Select Reserve would be charged 1 month of entitlement for each $140 paid to them.

The history of flight training under the noncontributory GI Bill (chapter 34) shows clearly it has not led to jobs for the majority of trainees. In fact, the courses tended to serve avocational, recreational and personal enrichment goals, rather than basic employment objectives. The provisions of this bill are very similar to the provisions that governed flight training under the noncontributory GI Bill. We do not find anything in this bill that would indicate that these same abuses would not be repeated under the Montgomery GI Bill.

For these reasons, we are opposed to the introduction of a program of vocational flight training as part of the Montgomery GI Bill.

H.R. 3180 would amend chapter 30 in a number of different ways. Under the terms of this bill, participants could decide whether they want a military pay reduction of $100 monthly for 12 months or $50 monthly for 24 months. It would also permit servicepersons to transfer entitlement to one or more dependents when certain conditions are met. In addition, this bill would allow a recruit to elect not to participate in the chapter 30 education program at the end of basic training.

We support DOD's position on this issue which is that since recruitment goals are being met, there is no need to lower the serviceperson's pay reduction.

Since the transferability feature is one that would aid in the retention of servicemembers in the Armed Forces and has no bearing on readjustment to a civilian life, we defer to the Department of Defense on this issue.

We do favor lengthening the time for recruits' election not to participate in the program. At present, there is no uniformity among the services as to when a recruit has to make his or her election. Basic training periods vary from service to service. We believe that a uniform election period is in order. Current provisions of law do not specify how much time the recruit has after entry on active duty to make a decision. We agree with DOD that 30 days is appropriate.

Mr. Chairman, the last bill you asked us to comment on is H.R. 3208, which also amends chapter 30 to give an individual 60 days after entry on active duty to elect not to participate. The bill would also allow the individual a second opportunity to enroll in the program within 60 days after enactment of H.R. 3208. Further, it would provide for the transfer of chapter 30 education benefits to dependents. Persons entitled to benefits who are unable to train due to physical or mental disability may receive reimbursement of the amount of military pay reduction resulting from program participation. Another feature of H.R. 3208 specifies that, upon the death of a participant, the amount by which his or her military pay was reduced will be paid to living person(s) in a stipulated order. This payment would bar the recipient from receiving any further transferred chapter 30 education benefits.

As we indicated before, we support DOD's position on the pay reduction issue.

With regard to the timeframe for not electing to participate, we prefer a uniform period of 30 days from initial entry on active duty.

Regarding the transferability feature of the bill, here again we would defer to the Department of Defense since this is essentially a retention rather than a readjustment feature.

We had previously taken a position favoring the payment of a death benefit to certain living persons in the event of a participant's death when the participant was on active duty at the time of death and had not been paid any educational assistance. However, we feel that the compensation in lieu of education benefit provision of this bill is too loosely worded. We would support the provision with DOD's recommended modifications.

Mr. Chairman, that concludes my testimony. I would be pleased to respond to any questions you or the members of the Subcommittee may have.

TESTIMONY OF

LIEUTENANT GENERAL ANTHONY LUKEMAN, USMC
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(MILITARY MANPOWER AND PERSONNEL POLICY)

BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE COMMITTEE ON VETERANS' AFFAIRS

H.R. 2950, H.R. 3180 AND H.R. 3208
(MONTGOMERY GI BILL AMENDMENTS)

15 OCTOBER 1987
ROOM 334, CANNON HOUSE OFFICE BUILDING

GOOD MORNING, MR. CHAIRMAN.

IT IS A PRIVILEGE TO APPEAR BEFORE THIS COMMITTEE WHICH HAS DONE SO MUCH OVER THE YEARS FOR AMERICAN SERVICE MEMBERS. THE MEN AND WOMEN OF THE ARMED FORCES ARE THE BACKBONE OF OUR NATION'S DEFENSE STRUCTURE AND I KNOW THEY ARE GRATEFUL TO THIS COMMITTEE FOR ENSURING THEIR FAIR TREATMENT.

THE MONTGOMERY GI BILL IS BEING PERCEIVED AS AN EXCELLENT PROGRAM BY SERVICE MEMBERS. THE MONTHLY ENROLLMENT RATES ARE STEADILY INCREASING. THIS PROGRAM WILL PROVE TO BE OF GREAT VALUE TO THE NATION, THE SERVICES AND THE INDIVIDUALS WHO PARTICIPATE.

YOU HAVE REQUESTED THAT I COMMENT TODAY ON THE DEPARTMENT'S POSITION WITH RESPECT TO CHANGES TO THE MONTGOMERY GI BILL AS PROPOSED IN H.R. 2950, H.R. 3180, AND H.R. 3208, AS WELL AS ANY AMENDMENTS THAT THE DEPARTMENT BELIEVES WOULD IMPROVE THE EFFECTIVENESS OF THE PROGRAM.

WITH RESPECT TO H.R. 2950, THE DEPARTMENT DOES NOT CONCUR WITH THE INTRODUCTION OF FLIGHT TRAINING COURSES UNDER THE MONTGOMERY GI BILL. A 1979 GENERAL ACCOUNTING OFFICE SURVEY CONDUCTED AN IN-DEPTH REVIEW OF FLIGHT TRAINING COURSES THAT WERE PERMITTED UNDER THE FORMER GI BILL. THAT SURVEY CONCLUDED THAT FLIGHT TRAINING COURSES DID NOT ACCOMPLISH THE BASIC EMPLOYMENT OBJECTIVES OF THE PROGRAM, BUT RATHER TENDED ONLY TO SERVE AVOCATIONAL, RECREATIONAL AND/OR PERSONAL ENRICHMENT GOALS. THIS IS NOT IN KEEPING WITH THE PROGRAM OBJECTIVES OF THE MONTGOMERY GI BILL.

H.R. 3180 WOULD CHANGE THE CURRENT REQUIREMENT THAT A SERVICE MEMBER MAKE THE DECISION WHETHER TO PARTICIPATE IN THE PROGRAM AT THE TIME OF INITIAL ENTRY ON ACTIVE DUTY TO THE NEW REQUIREMENT THAT THE DECISION BE MADE AT THE CLOSE OF THE INDIVIDUAL'S BASIC TRAINING PERIOD. H.R. 3208 WOULD CHANGE THE REQUIREMENT TO A PERIOD OF WITHIN 60 DAYS AFTER ENLISTMENT.

IN ORDER TO TAKE ADVANTAGE OF AVAILABLE ADMINISTRATIVE PROCESSING TIME; PROVIDE CENTRALIZED, HIGH QUALITY MONTGOMERY GI BILL BRIEFINGS AND COUNSELING SESSIONS; AND STILL ALLOW RECRUITS TO MAKE THEIR DECISIONS DURING A PERIOD OF LESS STRESS THAN THE FIRST WEEK OF BASIC TRAINING; DOD SUPPORTS REQUIRING THE DECISION ON MONTGOMERY GI BILL PARTICIPATION TO BE MADE WITHIN 30 DAYS OF ENTRY ON ACTIVE DUTY. A 30-DAY PERIOD WOULD ALLOW AMPLE TIME FOR A SERVICE MEMBER TO MAKE A DECISION AND WOULD PRECLUDE THE REQUIREMENT FOR ADDITIONAL ADMINISTRATIVE PROCESSING TIME AT THE CLOSE OF BASIC TRAINING. ADDITIONALLY, BECAUSE THE LENGTH OF BASIC TRAINING IS LESS THAN 60 DAYS FOR THREE OF THE SERVICES, A 30-DAY TIME LIMIT IS NECESSARY, AS OPPOSED TO THE 60-DAY PERIOD PROPOSED IN H.R. 3208.

H.R. 3180 WOULD CHANGE THE CURRENT PAY REDUCTION SCHEDULE FOR MONTGOMERY GI BILL PARTICIPANTS FROM $100 PER MONTH FOR 12 MONTHS TO A SERVICE MEMBER'S OPTION OF EITHER $100 PER MONTH FOR 12 MONTHS OR $50 PER MONTH FOR 24 MONTHS. H.R. 3208 WOULD MAKE THIS OPTION $100 PER MONTH FOR 12 MONTHS OR $60 PER MONTH FOR 20 MONTHS. DOD SUPPORTS A SINGLE PAY REDUCTION AMOUNT FOR ALL PERSONNEL RATHER THAN AN OPTION SYSTEM. AN INCREASED ADMINISTRATIVE WORK LOAD WILL BE NECESSARY TO PROCESS AND MAINTAIN TWO PAYMENT RECORD ACCOUNTS. THE $50 PER MONTH FOR 24 MONTHS SCHEDULE IS NOT SUPPORTED BECAUSE IT WOULD NOT ALLOW 2-YEAR ENLISTEES SUFFICIENT SERVICE TIME TO COMPLETE THE REQUIRED PAY REDUCTION OF $1200. WE SUPPORT THE CURRENT PAY REDUCTION SCHEDULE OF $100 PER MONTH FOR 12 MONTHS BECAUSE IT IS MEETING OUR ENLISTMENT INCENTIVE OBJECTIVES FOR THE MONTGOMERY GI BILL PROGRAM. LOWERING THE MONTHLY PAY REDUCTION SCHEDULE TO $60 WOULD INCUR A COST TO THE GOVERNMENT OF AN ESTIMATED $88 MILLION IN LOST REVENUE.

H.R. 3180 AND H.R. 3208 WOULD BOTH PERMIT THE TRANSFER OF MONTGOMERY GI BILL EDUCATIONAL BENEFITS FROM THE SERVICE MEMBER TO HIS OR HER DEPENDENTS UNDER SPECIFIED CONDITIONS, SUCH AS THE MEMBER'S CONTINUING TO SERVE ON ACTIVE DUTY OR THE MEMBER'S DEATH, DISCHARGE FOR HARDSHIP OR SERVICE-CONNECTED DISABILITY, OR COMPLETION OF 20 YEARS OF ACTIVE DUTY. THE ESTIMATED COST TO DOD IS $20 MILLION PER YEAR FOR TRANSFERABILITY OF THE KICKER BENEFITS WHICH ARE BUDGETED ON AN ACCRUAL BASIS. BECAUSE OF THE HIGH COST TO DOD AND THE LIMITED IMPACT OF TRANSFERABILITY ON RETENTION DOD DOES NOT SUPPORT THIS PORTION OF THE BILLS.

H.R. 3208 SEPARATELY PROPOSES THREE ADDITIONAL CHANGES TO THE MONTGOMERY GI BILL. FIRST, SERVICE MEMBERS ON ACTIVE DUTY WHO EARLIER CHOSE NOT TO ENROLL IN THE MONTGOMERY GI BILL PROGRAM WOULD HAVE THE OPPORTUNITY TO ENROLL DURING A 60-DAY PERIOD BEGINNING ON THE DATE OF ENACTMENT OF THIS BILL. WE DO NOT SUPPORT PROVIDING SERVICE MEMBERS WITH A SECOND OPPORTUNITY TO ENROLL IN THE MONTGOMERY GI BILL PROGRAM. THIS PROPOSAL WOULD INCREASE THE COST OF THE PROGRAM TO THE GOVERNMENT, WOULD NOT PROVIDE ANY ADDITIONAL RECRUITING BENEFITS TO THE SERVICES, AND WOULD ACT IN OPPOSITION TO RETENTION EFFORTS.

H.R. 3208 WOULD ALSO PROVIDE A PAYMENT TO MONTGOMERY GI BILL PARTICIPANTS IN THE AMOUNT BY WHICH THEIR PAY WAS REDUCED IF THE ADMINISTRATOR OF VETERANS' AFFAIRS DETERMINES THAT THE INDIVIDUAL HAS BECOME SO PHYSICALLY OR MENTALLY DISABLED THAT HE IS UNABLE TO UTILIZE HIS MONTGOMERY GI BILL BENEFITS. ADDITIONALLY, THE BILL WOULD PROVIDE A DEATH BENEFIT PAYMENT TO THE BENEFICIARIES OR SURVIVORS OF MONTGOMERY GI BILL PARTICIPANTS IN THE AMOUNT BY WHICH THE PARTICIPANTS' PAY WAS REDUCED. DOD HAS NO OBJECTION

TO THESE TWO PROVISIONS PROVIDED THAT (1) THE DISABILITY OR DEATH WAS NOT A RESULT OF MISCONDUCT, AND (2) THE PAYMENT MADE SHALL BE IN THE AMOUNT OF THE UNUSED PORTION OF THE PARTICIPANTS' PAY REDUCTION UNDER THE MONTGOMERY GI BILL PROGRAM. THIS BENEFIT PAYMENT POLICY WILL PROVIDE FAIR AND EQUITABLE TREATMENT FOR ALL PARTICIPANTS.

THE DEPARTMENT WAS ALSO REQUESTED TO PRESENT ANY AMENDMENTS WHICH IT BELIEVES WOULD IMPROVE THE EFFECTIVENESS OF THE MONTGOMERY GI BILL. WE RECOMMEND THAT ONE RELATIVELY MINOR MODIFICATION BE MADE. DOD BELIEVES THE LAW SHOULD PROVIDE RELIEF TO SPECIFIC GROUPS OF MONTGOMERY GI BILL PARTICIPANTS WHO CURRENTLY WILL NOT BECOME ELIGIBLE FOR BENEFITS. THESE GROUPS INCLUDE THOSE RECEIVING AN EARLY DISCHARGE FOR THE FOLLOWING REASONS: (1) TO ATTEND ROTC, (2) AUTHORIZED SERVICE REDUCTION IN STRENGTH, (3) MEDICAL DISCHARGE WITHOUT DISABILITY, AND (4) SOLE SURVIVING SON OR DAUGHTER. THESE SERVICE MEMBERS SHOULD BE AWARDED PRORATED BENEFITS BASED UPON THE NUMBER OF MONTHS SERVED. WE RECOMMEND THAT ONE MONTH OF BENEFITS BE PROVIDED FOR EACH MONTH OF ACTIVE DUTY SERVED.

THIS CONCLUDES MY PREPARED STATEMENT. THANK YOU AGAIN FOR THE OPPORTUNITY TO APPEAR. I WILL BE PLEASED TO RESPOND TO YOUR QUESTIONS.

STATEMENT OF

THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

MANPOWER AND PERSONNEL (ACTING)

SLOAN R. GILL

HEARING BEFORE THE SUBCOMMITTEE ON

EDUCATION, TRAINING AND EMPLOYMENT

HOUSE COMMITTEE ON VETERANS AFFAIRS

15 OCTOBER 1987

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
SUBCOMMITTEE

Mr. Chairman and members of the committee:

I want to thank you for inviting me to appear and offer testimony on the implementation and effectiveness of the Montgomery GI Bill for the Selected Reserve.

As you are aware, the Montgomery GI Bill for the Selected Reserve is a non-contributory, general entitlement program. Reserve officer and enlisted personnel become eligible for education benefits after completing initial active duty for training and 180 days of service in the Selected Reserve. They are also required to enlist or agree to serve in the Selected Reserve for at least six years. Participants who remain members of the Selected Reserve have up to ten years to use the full entitlement. Benefits are payable for up to 36 months of education at the rate of $140 per month for full-time study, $105 and $70 per month for three-quarter and half-time study, respectively. Funded study must be at an institution of higher learning and is basically limited to a baccalaureate degree.

The Montgomery GI Bill is a valuable recruiting and retention tool for the Selected Reserve. Participation in the program has shown steady growth since its inception in July 1985. As of September 17, 1987, more than 64,000 new applications have been processed by the Veterans Administration. The table below reflects the participation rates by reserve component through September 17, 1987.

MONTGOMERY GI BILL - RESERVE
NUMBER OF APPLICANTS BY RESERVE COMPONENT

Reserve Component	FY 85*	FY 86	FY 87**	Total
DOD/DOT	1,653*	30,921	31,917	64,491
ARNG	(727)	13,707	12,090	26,524
USAR	(331)	6,298	7,983	14,612
USNR	(132)	2,435	3,472	6,039
USMCR	(50)	852	2,017	2,919
ANG	(281)	5,251	3,996	9,528
USAFR	(116)	2,179	2,078	4,373
CGR	(16)	199	281	496

*Figures shown reflect the dates when members of the Selected Reserve applied to the Veterans Administration with a Notice of Basic Eligibility for benefits. The number of persons who received benefits for the school term which began in late FY 1985 was 11,783 for all of DoD. All but 1,653 of these persons did not make formal application at the VA until after September 30, 1985. Individual reserve component figures were not determined for FY 1985. However, to prevent distortion of the FY 1986 and FY 1987 figures by component, the 1,653 applications in FY 1985 have been allocated to each Reserve component according to its proportion of applications in FY 1986.

**As of September 17, 1987.

In terms of quality, we continue to see a high percentage of Guard and Reserve recruits who possess at least a high school diploma or equivalency certificate. For the twelve months ending June 1987, 77 percent of enlisted accessions in the Selected Reserve were high school graduates or better.

There are some administrative wrinkles in the Montgomery GI Bill-Reserve which are yet to be ironed out, however. Timely and accurate automated data input of Selected Reserve members' eligibility by the Services to the Defense Manpower Data Center (DMDC) has shown steady improvement; but it continues to be a problem in managing benefit payments. Through the use of off-line procedures and careful coordination with the Veterans Administration, DoD has been able to minimize individual inequities while encouraging the Services to upgrade and expand their in-house automation and staffing to a level sufficient to support reliance upon the automated eligibility reporting system. This system provides input from each Selected Reserve unit to the appropriate reserve component data processing center, then to the Defense Manpower Data Center, then to the Veterans Administration. As of September 14, 1987, the system has been enhanced by providing direct VA Regional Office on-screen access to the DMDC data base. This will provide more timely eligibility information than was previously available through the twice-monthly batch transfer of termination/expedited corrections data from DMDC to VA.

You have asked me to comment specifically on a bill pending before this committee, HR 2950, and to offer comments on ways to improve the effectiveness of the Montgomery GI Bill-Reserve (Chapter 106, title 10, United States Code).

HR 2950 would add flight training to both Chapter 30 of title 38 (Montgomery GI Bill-Active Duty) and Chapter 106 of title 10. We do not favor this addition. Prior experience with flight training in veterans' educational programs has shown it to have limited vocational benefits. Further, DoD opposes allowing flight training under Chapter 30. We do not believe it would be appropriate to authorize it as a benefit under Chapter 106 if it is not authorized under Chapter 30.

From a cost standpoint, adding flight training would probably result in little or no increase in expenditures. This conclusion is based upon an assumption that eligible Reserve members would study something else if flight training were unavailable.

We have an additional concern about the method of payment for flight training. Reserve members' entitlement to GI Bill benefits runs concurrently with their qualifying participation in the Selected Reserve, unlike Chapter 30 benefits which are based primarily upon a completed term of service. Chapter 106, in fact, contains provisions for recovering benefit payments to reservists who fail to participate satisfactorily. Currently, the maximum monthly benefit (for full-time study) is $140. Thirty-six months are required to receive the maximum allowable benefit of $5,040. For students who do not attend summer school, this translates into four calendar years. Payment for flight training under HR 2950, however, would cover 75 percent of tuition and fees with one month's benefit charged for each $140 received. Since commercial flight training is relatively expensive, a student pursuing it on an active basis could fairly quickly consume his or her entire GI Bill entitlement. For example, 20 hours of flight instruction per month at $60/hour would entitle the reservist to GI Bill benefits of 75% X $1,200 = $900. At this rate, in less than six months a reservist would entirely consume the maximum amount of GI Bill benefits; and yet, the remaining Selected Reserve obligation for those benefits could be as much as five years. This imbalance between the length of Selected Reserve participation and the rate at which benefits are paid could result in aggravating the recoupment problem for unsatisfactory participation.

With respect to increasing the incentive value of the Montgomery GI Bill as a reserve recruiting and retention tool, the Sixth Quadrennial Review of Military Compensation Committee is reviewing the entire subject of compensation and benefits for the reserve components. Specific suggestions by this office in advance of the Sixth QRMC's findings and recommendations would be premature. However, we do recommend one administrative change regarding the time within which a Selected Reservist must obtain a high school credential to be eligible for Montgomery GI Bill benefits. Chapter 106 now requires award of a high school diploma or equivalency certificate prior to the reservist's completion of initial active duty for training. Otherwise, eligibility for Montgomery GI Bill benefits is lost. This seems unnecessarily harsh and does not encourage completion of high school through equivalent study. The Montgomery GI Bill provides a major incentive for joining and remaining in the Selected Reserve. It is targeted primarily at high school graduates in an effort to raise the quality of our fighting forces. But, some individuals with great ability are slow to realize their potential. Disruptive home lives or adverse economic circumstances may seriously interfere with their ability and desire to complete secondary school. When these conditions change, or the individual matures sufficiently to cope better with them, the potential to be an outstanding soldier, sailor or airman remains. The Selected Reserve needs to retain these individuals and they should be allowed a reasonable time to complete their secondary school studies and qualify for educational benefits. Such a program would also permit the Services greater latitude in tailoring their recruiting programs during the coming decade, when projected demographic shifts are expected to reduce the number of high school graduates. A two-year qualifying period would align the reserve period with the minimum two-year active duty term required for Montgomery GI Bill eligibility under Chapter 30.

Alternatively, it may be preferable from a retention standpoint to require only that the high school credential be obtained prior to any six-year reenlistment period. This would make the Montgomery GI Bill-Reserve a continuing incentive for reserve retention among the class of enlisted personnel who are desirable military assets but who, for one reason or another, failed to obtain a high school credential at the start of their reserve careers.

I would like to close by stating unequivocally that the Montgomery GI Bill for the Selected Reserve (Chapter 106) is a success story. It has, along with other incentives, been instrumental in recruiting and retaining quality members for our reserve components.

Mr. Chairman, this completes my testimony. I thank you once again for the opportunity you have given me to appear before the Committee. I am prepared to answer any questions you may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

G. MICHAEL SCHLEE, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS COMMISSIONS
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE VETERANS AFFAIRS COMMITTEE
U.S. HOUSE OF REPRESENTATIVES

on

PROPOSED REVISIONS IN THE MONTGOMERY GI BILL

October 15, 1987

STATEMENT OF G. MICHAEL SCHLEE, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS DIVISION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
OCTOBER 15, 1987

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to appear before this Subcommittee to present its views on proposed legislation which seeks to amend portions of the enacted Montgomery GI Bill, established under Title VII of Public Law 98-525. The American Legion applauds the Committee for its work in the development and passage of the Montgomery GI Bill which makes permanent educational assistance programs for the All-Volunteer Force under Chapter 30, Title 38, United States Code, and the program of educational assistance for members of the Selected Reserve, under Chapter 106, Title 10, United States Code. Under previous law, the new GI Bill programs were to terminate for new participants on June 30, 1988.

The stated program purposes of the Montgomery GI Bill are to assist members of the Armed Forces to readjust to civilian life after their separation from military service; to assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a program of educational assistance based on service on Active Duty or a combination of service on Active Duty and in the Selected Reserve (including the National Guard); to aid in the recruitment and retention of highly qualified personnel for both the Active and Reserve components of the Armed Forces; and to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces.

The educational assistance programs of the Montgomery GI Bill are funded and administered by the Veterans Administration for the Active Duty components except for "kickers" and supplemental programs which are funded by the Department of Defense. The educational assistance programs for the Selected Reserve are also funded by the Department of Defense.

It comes as no surprise that the new GI Bill and now, the Montgomery GI Bill, are continuing to serve as a strong, cost effective recruiting tool for our Armed Forces. Without a permanent GI Bill, the services would be forced to compete with an expanding job market and educational institutions in order to attract a larger percentage of high quality youth from a shrinking pool of eligible recruits. As the male cohort shrinks, studies indicate that by the end of this decade services will need to recruit one out of every two available and eligible non-college males to maintain their current strength levels. The incorporation of the Reserves and National Guard in the program is also reaping benefits for those essential components of the Total Force. This, in our view, is praiseworthy and reflects a true commitment to that policy.

The Montgomery GI Bill is a contributory system in which the service member is investing in his or her own future. In exchange for three years of honorable service on active duty or a combination of two years on active duty and a four year Reserve Component, an individual is entitled to $300 a month for a maximum of 36 months of full-time school attendance. In exchange for a two-year tour of duty, an individual is entitled to $250 a month for 36 months. These benefits are funded by the Veterans Administration. As with the new GI Bill, Montgomery GI Bill participants agree to a non-refundable, irrevocable, $100 per month reduction in their basic pay for 12 months. Service members can begin using their educational assistance benefits after completion of two years of active duty service. DOD will fund supplemental programs for career-minded service members as well as "kickers" for designated occupational specialties.

With regard to service members' contributory reductions, H.R. 3180 and H.R. 3208 propose an option to contribute a lesser amount over an extended period of time than the prescribed $100 per month for 12 months. The current $100 per month for 12 months deduction (which is acceptable to many servicemen and women, on the one hand) is a formidable amount to young Americans entering the military. The $50 per month deduction over 24 months is an attractive option under H.R. 3180 as is the $60 per month deduction for 20 months under H.R. 3208. On the surface, the latter option extending contributions over a 20 month period would assure full contributions are made before individuals are authorized to begin using their educational benefits.

The provision to extend the period of consideration for deciding to opt for the program, from within the first 14 days of active duty to 60 days under H.R. 3208 or by the close of basic training (H.R. 3180), has considerable merit. The first several weeks of basic training are the most intense and stressful for trainees. Their endeavors focus on the stressful adjustment to their new environment and the satisfactory completion of basic training. This adjustment is more difficult for some than others. The decision to opt for the Montgomery GI Bill, or not, is irrevocable. By deferring this decision on the program, and the options therein, to the end of basic training, recruits will have more time and opportunity to discuss the program with their families, superiors and peers. By the end of the basic training period, trainees will know if they have satisfactorily completed basic training and whether they will maintain continued eligibility for the educational assistance program. This feature--extending the period of consideration to the satisfactory completion of basic training--could encourage an even greater level of participation in the program and enhance its administration.

With regard to the transfer of educational assistance entitlements to dependents, The American Legion, in previous testimony, has voiced concern over the provision of authority for the transferability of educational assistance benefits provided under any peacetime GI Bill. Such a provision would affect a primary purpose of the Public Law by providing benefits to individuals, specifically dependents of service personnel who could otherwise qualify in their own right, for benefits in the years ahead. A provision of this nature could reduce the already dwindling pool of eligible individuals available for military service based on the incentive of educational benefits. Additionally, a serious look must be given to the long term cost of transferability and the possibility of withdrawing funding from other essential programs funded by the Veterans Administration and Department of Defense. The question of equity to previous veterans is also a serious consideration.

The potential impact of this provision on the retention of service members needs to be analyzed. There is the possibility that too many servicemen could be encouraged to remain in the military solely to finance the college educations of their children. The built-in provision for supplemental increases in educational assistance benefits for careerists is a known factor. With regard to retention, it is clear that other factors such as pay comparability, career progression, dependent satisfaction with the Service, and other sound force management factors also come into play.

H.R. 3208 would allow educational benefits to be transferred to dependents only in instances where the service member dies on active duty before using any benefits. Under the provisions of Chapter 35 of Title 38, the Veterans Administration already has a program to provide educational assistance for survivors of service members who die while on active duty or are 100 percent service-connected disabled.

The American Legion wishes to address a related aspect which deals with the refundability, or death benefit, aspect of the Montgomery GI Bill. Our National Convention in August approved a resolution to support an amendment to the VA Educational Assistance Act (of 1984), the predecessor of the current GI Bill, which would restore the "Death of Participant" provision to provide for the refunding of GI Bill contributions to the survivor(s) in the event of a service member's death. Recognizably, H.R. 3001 seeks to amend Chapter 30 of Title 38 by paying a "death benefit in the amount of such reductions" to surviving dependents when a service member dies on active duty and who has not been paid any educational assistance under this Chapter. This resolution provides the basis for The American Legion's support for H.R. 3001 introduced by the Chairman.

H.R. 2950 exclusively addresses the provision of adding flight training for individuals entitled to basic educational assistance. Under current law, the Veterans Administration will pay for college education, on-the-job training, and apprenticeships, but not for flight training as such. While this provision would undoubtedly serve as an attractive recruiting tool, the VA will currently fund flight training when recognized as part of a collegiate degree-producing program. The high costs associated with flight exclusive training programs could negate the availability of collegiate, on-the-job training or apprenticeship programs. Additionally, the military services offer excellent flight training programs for interested and qualified service members.

Mr. Chairman, this concludes our testimony.

NATA
Founded December 28, 1940
NATIONAL AIR TRANSPORTATION ASSOCIATION
4226 King Street • Alexandria, Virginia 22302 • (703) 845-9000

October 27, 1987

Honorable Wayne Dowdy, Chairman
Subcommittee on Education, Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

For the Record: October 15, 1987 Hearing on the Montgomery GI Bill

Dear Mr. Dowdy:

The National Air Transportation Association (NATA) represents the business interests of over 1,000 Member companies that provide both aviation ground services (fixed base operators or FBOs) and on-demand air transportation (air taxis). Since many of our Member companies not only employ pilots for air taxi service but also provide flight training, NATA is extremely interested in H.R. 2950, legislation providing flight training educational assistance for qualified veterans.

We strongly believe that flight training assistance should be included in the options available to those seeking expanded education after leaving the armed services. Flight training can provide important technical training that will ensure the future employment of veterans directly as pilots in ancillary employment, using pilot skills, as well as assist in meeting the growing market demand for qualified pilots.

As you are probably aware, there is currently a shortage of qualified pilots. While the total number of available pilots is decreasing, demand is growing. The Future Aviation Professionals of America (FAPA) projects that almost 32,000 pilots will be hired over the next ten years by large turbojet operators alone. Deregulation of the airlines, resulting in increases in the number of flights and overall size of commercial carriers, along with the expansion of regional airlines has compounded the problem. The retirement of many older pilots combined with the unprecedented expansion by the nation's airlines, would enable those veterans receiving flight training to pursue a career in a high-demand profession.

Flight training can also enhance veterans' success in other fields. The ability to pilot an aircraft and using that skill in one's job can increase the efficiency and success of businesses, even though the individual is not employed as a "pilot". For instance, salespeople, insurance adjusters and area managers are just a few of the many occupations that require frequent travel, and that can enjoy increased efficiency from utilizing a charter aircraft flown by a pilot with a license obtained by veterans' training assistance.

The armed forces would also benefit from the establishment of flight training assistance. Offering flight training educational assistance would be an additional recruiting tool and, perhaps even more importantly, it could help the armed services retain more active-duty pilots. By meeting the civilian demand for pilots with veterans utilizing flight training benefits, the incentive for active duty military personnel to leave the armed forces for the civilian market would be greatly reduced.

NATA is concerned about the perceived abuses of previous VA flight training programs. In 1979, the General Accounting Office (GAO) reported a small number of veterans in flight training programs had full-time jobs as a result of their training. We feel the GAO used unrealistic criteria for judging the value of flight training. Primarily, GAO assumed a veteran had to be employed as a pilot to utilize flight training. As was previously pointed out in our statement, many business opportunities are enhanced when an employee can use an aircraft, even though the individual is not actually employed as a pilot.

The language of H.R. 2950 will require a veteran to make a substantial monetary investment before being eligible for assistance. Having to first obtain a private license (an approximate $3,500 investment) before receiving flight training assistance, along with the required payment of 25 percent of all subsequent training, ensures that veterans will use their training for vocational purposes.

In summary, there is a current and growing demand for pilots which provides excellent employment opportunities for those with proper training. The ability of qualified veterans to receive educational assistance for flight training is extremely important in meeting both the civilian and armed forces need for pilots. Within the framework established under H.R. 2950, veterans would have to make the initial investments necessary to receive flight training aid, protecting the program from abuses. NATA, on behalf of our Member companies, strongly urges the establishment of veteran's training assistance for flight education. The Association is ready to work with you and Members of your Subcommittee to establish such a program.

Sincerely,

William H. Power
Vice President,
Government Affairs

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DOWDY TO VETERANS' ADMINISTRATION

Question: If H. R. 3208 were enacted, would the transferability provisions be implemented in the same manner as the 901 program? Are the provisions similar?

Answer: The language providing transferability in H. R. 3208 and the provisions contained in the Section 901 program contain differences. The eligibility provisions in the bill are different from those contained in the Section 901 education program. For example, H. R. 3208 permits payment of assistance to the transferee while the individual transferring entitlement would remain on active duty. The Section 901 program does not permit transfer of benefits until the individual transferring benefits reenlists after a qualifying enlistment. We note other differences which would impair implementation under the Section 901 program. H. R. 3208 would permit the individual transferring the benefit to modify or revoke the transfer at any time. Section 901 only permits the person to revoke his or her previous transferability action. The definition of a child is different between the two provisions. A child under Section 901 is governed by the definition in title 10, USC, which provides that a determination of an adult child's eligibility would depend upon the amount of support furnished by the person transferring entitlement. An illegitimate child is not eligible. However, under the provisions of H. R. 3208 the language is less restrictive. A child would be eligible if he or she is/would be eligible under the definition of "child" contained in chapter 35 of title 38.

The Section 901 program was established as a test program. It was made available to less than 7,000 enlistees and reenlistees. The number of transfer cases has been very small. This has permitted the Veterans Administration to handle these claims at one field station. The proposed transferability feature for the Montgomery G. I. Bill would be made available to potentially thousands of individuals. This would greatly increase the administrative problems and the possibility of a high error rate. For example, Section 901 provides that the veteran or serviceperson transferring entitlement may do so for one person at a time. The language contained in the bill would permit multiple transfers to dependents. Since we have not had experience in this area it would add to the complexity of the program.

Chairman Dowdy to Office of the Assistant Secretary of Defense

Question: I am pleased to see that your legislative recommendation supports relief for certain specific groups of GI Bill participants in the form of education benefits rather than a return of money. The issue of benefits versus cash refunds was debated at the hearings. For the record, would you explain why you favor pro-rated educational assistance rather than a return of the basic pay reduction?

Answer: One of the principal reasons for the establishment of the Montgomery GI Bill(MGIB) is to provide training and readjustment to civilian life for those who have served in the Armed Forces. Enrollees in the MGIB program have full intentions of pursuing higher education and training upon completion of their service. A $1200 Service member pay reduction, combined with no refund provision, clearly demonstrates this intention. Providing pro-rated educational benefits, normally in the amount of one month of benefits for each month of active duty served, as opposed to providing a cash return of pay reductions for those whose type of discharge or length of service does not qualify them for full MGIB educational benefits would meet the objectives of the MGIB program and the expections of the participants.

NOV 25 1987

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

RESERVE AFFAIRS

10 NOV 1987

Honorable Wayne Dowdy
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am pleased to respond to your questions regarding my personal views of certain amendments to the Montgomery GI Bill-Reserve (Chapter 106, title 10, United States Code). I must stress, however, that these are my personal views only and do not necessarily reflect those of the Department of Defense. As I indicated in my testimony before the Subcommittee on October 15, 1987, the Department of Defense is awaiting the report of the Sixth Quadrennial Review of Military Compensation before adopting specific recommendations to enhance the reserve component recruiting and retention program.

1. Q: It was suggested during recent hearings that the current requirement that reservists complete 180 days of service before using their entitlement be eliminated. What do you personally think of this recommendation?

A: Elimination of the 180-day Selected Reserve membership requirement as a precondition to eligibility for Chapter 106 benefits would improve the efficiency and effectiveness of the Montgomery GI Bill. In the great majority of nonprior service accessions, the 180-day requirement is satisfied during the member's initial active duty for training (IADT). Consequently, it is essentially redundant to the requirement to complete IADT before eligibility for educational benefits may begin. Yet, it requires separate data entries and monitoring--an unnecessary additional complication in an administrative system which is already unusually complex. I also note that during the October 15 hearing, the military reserve chiefs were unanimous in supporting elimination of the 180-day requirement.

2. Q: There seems to be near universal support for amending the Chapter 106 program in two ways - those being: 1) allowing Chapter 106 participants to pursue the same types of courses as those allowed under Chapter 30, and 2) allowing Chapter 106 participants to go to school less than half-time. In your personal opinion, would these provisions strengthen the Chapter 106 program?

A.(1): Same types of educational courses. I personally support expanding the Chapter 106 program to permit the same educational opportunities that are available under the Chapter 30, title 38 program. Not only would this increase the incentive value of this important recruiting and retention tool, it would also better reflect the Total Force policy which underlies our national military strategy. Access to vocational-technical training would afford opportunities for self-improvement to reservists who are not interested in the more academic pursuit of a college degree. Many of the new skills thereby obtained, such as electronic, automotive, building trades, and clerical, would be of direct benefit to the military capabilities of our reserve units.

Further, changes in the American and world economies produce economic disruptions that often require job retraining for individuals displaced by technological advances or shifting labor markets. It would benefit these persons and provide another important Selected Reserve incentive if the Montgomery GI Bill were available to help fund such retraining. Not incidentally, this would also contribute to our national productivity.

On the upper end, extending Chapter 106 benefits to postgraduate studies would recognize the growing need for military officers to obtain levels of expertise beyond the baccalaureate level to function effectively in a world of increasing technical and political complexity. The advanced civilian study programs of the active components, plus the availability of financing under the military departments' tuition assistance programs and Chapter 30 and its predecessors, have long recognized the benefits of graduate level education among military personnel, particularly officers. If the Total Force is to retain its credibility as a realistic national defense strategy, the reserve portion of that force must be no less capable than the active side. Further, the current baccalaureate restriction of Chapter 106 severely limits its retention value for an increasingly-educated officer corps.

(2): Less than half-time study. Many dedicated reservists have time only for limited study outside their work and home responsibilities. A Montgomery GI Bill entitlement for less than half-time study would help them to pursue their educational goals. However, I believe its value as a recruiting incentive would be somewhat limited for two reasons. One, a prorated level of payment for less than half-time study would be only about $35-50 per month, based upon the current benefits schedule. Two, approximately 85% of Selected Reservists receiving Chapter 106 benefits are in a full-time or three-quarter time program, which reflects its appeal for young high school graduates seeking to obtain a college education. Thus, I would not expect expansion of the program to less than half-time study to be a significant recruiting tool but I would expect it to enhance retention, encourage individual development and growth, and support DoD's efforts to improve the capability of the Total Force.

I appreciate this opportunity to offer my personal views on ways to strengthen the Montgomery GI Bill-Reserve. If you have further questions or require additional information, I will be pleased to respond.

Sincerely,

Sloan R. Gill

Sloan R. Gill
Acting Deputy Assistant Secretary
(Guard/Reserve Manpower and Personnel)

CHAIRMAN DOWDY TO ARMY RESERVE

INSERT FOR THE RECORD								
X	HOUSE	APPROPRIATIONS COMMITTEE		HOUSE	ARMED SERVICES COMMITTEE		HOUSE	OTHER
	SENATE			SENATE			SENATE	
HEARING DATE 15 Oct 87	TRANSCRIPT PAGE NO.		LINE NO.		INSERT NO.			Montgomery GI Bill

Response to the Subcommittee on Education, Training and Employment

Question. It was suggested during recent hearings that the current requirement that reservists complete 180 days of service before using their entitlement be eliminated. What do you personally think of this recommendation?

Answer. We believe that the requirement that a reservist must serve 180 days in order to be eligible to use this entitlement should be eliminated. A reservist should be eligible for the Montgomery GI Bill once he has completed his IADT (Basic and Advanced Individual Training) and has been awarded an MOS that makes him a mobilization asset. To require additional service beyond this is, in our opinion, unnecessary, burdensome, and counterproductive.

CHAIRMAN DOWDY TO AIR FORCE RESERVE

INSERT FOR THE RECORD

☐ HOUSE ☐ SENATE	APPROPRIATIONS COMMITTEE	☐ HOUSE ☐ SENATE	ARMED SERVICES COMMITTEE	☐ HOUSE ☐ SENATE	OTHER Committee on Veteran Affairs Subcommittee on Educ. and Training
HEARING DATE 15 Oct 87	TRANSCRIPT PAGE NO. Post Hearing N/A Question	LINE NO.	INSERT NO.		

Congressman Dowdy: It was suggested during recent hearings that the current requirement that reservists complete 180 days of service before using their entitlement be eliminated. What do you personally think of this recommendation?

General Scheer: We favor elimination of the 180-day Selected Reserve membership qualifying period. This would remove a restriction that complicates administration of the program. In most cases, the 180-day requirement is met by the time the nonprior service enlistee completes initial active duty for training. The requirement causes confusion in some cases and necessitates separate monitoring. Its elimination would simplify administration of the program.

CHAIRMAN DOWDY TO U.S. COAST GUARD

CONGRESSMAN DOWDY'S QUESTION
WITH COAST GUARD ANSWER
MONTGOMERY GI BILL HEARING, 15 OCTOBER 1987

QUESTION: IT WAS SUGGESTED DURING RECENT HEARINGS THAT THE CURRENT REQUIREMENT THAT RESERVISTS COMPLETE 180 DAYS OF SERVICE BEFORE USING THEIR ENTITLEMENT BE ELIMINATED. WHAT DO YOU PERSONALLY THINK OF THIS RECOMMENDATION?

ANSWER: I endorse this recommendation. Many of our reservists are inconvenienced by the 180 day restriction and more of them would be willing to participate if it were eliminated. It is my opinion that the program can be managed just as effectively with a much shorter initial service requirement. I suggest that an initial period of 60 days satisfactory service would be appropriate. I should note that the Administration opposes any changes to the Reserve Program until after the 6th QRMC has completed its Review of reserve compensation and benefits.

Chairman Dowdy to National Guard Bureau

QUESTION: General Temple, it was suggested during recent hearings that the current requirement that reservists complete 180 days of service before using their entitlement be eliminated. What do you personally think of this recommendation?

LTG Temple: I support elimination of the 180 day requirement. Presently, eligibility requires completion of Initial Active Duty for Training (IADT) and 180 days in the Selected Reserve. Most Guard and Reserve soldiers complete 180 days prior to completion of IADT, therefore, the 180 day requirement is redundant. If the requirement is removed, new Guard members will be eligible for immediate benefits upon completion of IADT and entitled prior service enlistees will also receive immediate benefits. Removal would also lessen the error potential and make the program easier to administer.